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OFFICIAL REPORT

OF

DEBATES

HOUSE OF COMMONS

THIRD SESSION—NINETEENTH PARLIAMENT

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1942

CANADA

House of Commons Debates

OFFICIAL REPORT

Thursday, March 5, 1942

The house met at three o'clock.

TAXATION

CONVENTION BETWEEN CANADA AND THE UNITED STATES SIGNED AT WASHINGTON MARCH 4

On the orders of the day:

Hon. C. W. G. GIBSON (Minister of National Revenue): Mr. Speaker, for the information of the house I would like to make the following announcement:

A tax convention was signed at Washington on the 4th day of March between Canada and the United States for the equalization of tax deductions at the source, for the avoidance of double taxation, for the prevention of fiscal evasion and for the general promotion of the flow of commerce between the two countries.

This convention follows along the lines of the previous convention which existed from, and during, 1936 until April of 1941.

Deduction at the source in the United States was increased in 1941 to 27½ per cent on dividends, interest, rents, royalties and other periodic payments coming to residents in Canada. The present convention reduces this to 15 per cent as and from the first day of January, 1941. Canada also deducts 15 per cent in respect of interest, dividends and royalties going to the United States, so that there now exists substantial equality of deduction at the source between the two countries.

Individuals, resident in Canada, who are not citizens of the United States, are not subject to the graduated rates of tax in the United States and are not required to file United States returns, unless they have an office or place of business therein.

For parent companies in Canada, receiving dividends from wholly-owned subsidiaries in the United States, the tax deduction at the source is reduced to 5 per cent. Dividends from Canadian subsidiary companies are, as heretofore, transmitted to parent companies in the United States free of any tax deduction at the source, but the Canadian government will be free to tax these dividends as it chooses, at a rate not exceeding 5 per cent.

As the convention comes into force on the first day of January, 1941, a refund will be made of all taxes deducted at the source in excess of the said 15 per cent or 5 per cent rate, without application being made therefor, as the refunds will be made by direction of the government of the United States through the medium of corporations and institutions which initially made the deductions.

The convention shall remain effective for a period of at least three years in respect of all its features, and continuously beyond the three years until at least six months' notice of termination has been given by either country, in which case the termination becomes effective on the first day of January following the expiration of the said six months' period.

However, after the fixed period of three years, the rate of 15 per cent may thereafter be altered without notice and without affecting other parts of the agreement, as it was felt that neither country wished to preclude a change in the tax rates at any time, if a subsequent parliament or congress desired to change them.

Canada for some time has been making representations in connection with tax claims raised by the revenue authorities of the United States on profits or gains made by Canadians trading in securities and commodities in the United States. The tax was claimed, even though in subsequent years losses were sustained which more than offset the prior years of profits on which the tax claim was based. While the profits were in hand, Canadians had no knowledge of their liability. In fact, there was a general belief that no such liability could be raised or would be raised.

Now by reason of this convention, all such persons may effect a settlement with the United States revenue officials on a basis of paying 5 per cent on the dividend and interest yield received by such investors in the years during which they held the securities, provided they file a request for settlement with the Commissioner of Internal Revenue, Washington, within two years from the date of signature—not the effective

date—of this convention. Otherwise they will not receive the benefit of this convention.

This is in effect a change from a capital gains tax to a 5 per cent deduction at the source, based on net revenue, if any, received from such securities.

Capital gains by Canadian residents derived from sources within the United States shall not be subject to tax therein, provided such Canadians have no permanent establishment in the United States.

There are certain extra-territorial features of the revenue laws of the United States, included not only in the 1941 act but in prior acts of that country, which impinged upon any Canadian company if 50 per cent or more of the income of the Canadian company were derived from sources within the United States. These extra-territorial features also impinged upon such Canadian company paying dividends to a Canadian resident, and also upon any such Canadian company accumulating undistributed income.

These are technical in character and the technical features need not now be mentioned in this general announcement. Those particularly interested should refer to the terms of the convention itself.

All these extra-territorial features, so far as Canadians, and Canadian-controlled companies, are concerned, have been eliminated by the terms of the convention.

Charitable organizations are exempt from deduction at the source, if the organization is a charitable organization within the meaning of the laws of each country, when read together. If a charity is such within the meaning of the United States law only, the terms of which perhaps are a little wider than the Canadian definition of charity, but is not a charitable institution within the meaning of the Canadian law, then the deduction at the source would not be waived. The charitable organization must be such within the meaning of our law as well as within the meaning of the United States law.

All persons in the employ of the dominion or provincial governments, or any political subdivision, agency or instrumentality thereof, whose duties require them to reside in the United States are to be taxed by the Canadian government, while like officials of the United States government, or any political subdivision, agency or instrumentality thereof, residing in Canada and paid from the United States are not to be taxed in Canada.

On the other hand, pensions shall be taxed in the country where the recipient resides and not in the country where the pensions arise. Life annuities also will be taxed only in the country where the recipient resides.

[Mr. Gibson.]

Each country will refrain from taxing any person from the other country, in respect only of compensation for labour or personal services, if such person—

(a) remains for a period or periods not exceeding 183 days, and
(b) receives $5,000 or less in the aggregate during such stay;
or
(a) remains for a period or periods not exceeding 90 days, and
(b) receives $1,500 or less in the aggregate during such stay.

This is intended to exempt a number of persons who are for a short time in industrial activities, but the convention by special mention does not grant exemption in respect of professional earnings such as those received by actors, artists, musicians, and professional athletes who are taxable in the country in which they exercise their skill.

The income derived from the operation of ships or aircraft shall be taxed in the country of registration.

Students or business apprentices are exempt from tax in the country in which they are studying in respect of remittances received by them for the purpose of their maintenance or studies.

Any actual case of double taxation within the purview of this agreement, and not otherwise dealt with, may be dealt with by consultation and appropriate adjustment between the countries.

Each country undertakes to supply the other country with information in respect of dividends, interest, rents, royalties and other periodic payments passing from one to the other.

There is provision in special cases, and at the request of either government, for consultation where the authorities of one country might desire information in respect of any particular taxpayer's activities in the other country.

Finally, there is provision for equality of treatment, namely that the citizens of one of the contracting states residing within the other shall not be subject to the payment of more burdensome taxes than those which are borne by the citizens of the other contracting state, or in other words, citizens of the United States within Canada are not to be discriminated against by more burdensome taxation than that imposed upon our own citizens within Canada.

It should perhaps again be stated that all moneys that have been deducted and collected at the source under the 16½ per cent rate that arose immediately after the repeal of the former convention on the 29th April last, and all moneys collected under the 27½ per cent rate as provided by the 1941 United States

revenue laws, are to be refunded to Canadian residents to the extent that they are over the basic 15 per cent or, in the case of parent companies, over the 5 per cent rate now agreed upon, without application having to be made therefor. Hereafter, only 15 per cent will be deducted.

From a reading of the convention, it will be realized that this is probably the most extensive fiscal convention that has yet been entered into on the subject of direct taxation. It is tangible evidence of the growing intimacy between Canada and the United States.

The agreement itself, which, as I stated, was signed yesterday, will be tabled at the earliest possible date.

Hon. R. B. HANSON (Leader of the Opposition): I was about to ask the minister, on the orders of the day, a question with respect to this convention. He has referred, I assume, to all the salient features of the convention and we shall be able to study it when it is tabled. There is, however, just one question that I should like to ask him at the moment. According to a newspaper report it is stated among other things that the convention also provides for a reduction in certain rates of taxation, and, it goes on:

—for the establishment of an exchange of information between the United States and Canada in the field of income taxation.

I am interested to know just how far that goes, having regard to the practice and rule that income tax returns are secret. I can visualize this as a breach of the practice heretofore. May I call the minister's attention to the fact that income tax returns are not even divulged to the succession duties authorities of a province without the consent of the estate of the taxpayer. I am wondering how far this will go to take away the secrecy which heretofore has surrounded the filing of income tax returns.

Mr. GIBSON: The convention itself will be tabled. It goes quite far in the exchange of information. Each country realizes that every effort should be made to avoid any loss of revenue from evasion of taxation, and my hon. friend will see the convention for himself when it is tabled. I do not think that I can go into particulars at this stage.

Mr. HANSON (York-Sunbury): I would point out to the minister, if I am permitted to do so, that income returns are public property in the United States. They have never been public property in Canada, and there should be some reservation. I should think, if it has not been arranged, it should be arranged that information with respect to Canadian taxpayers should be kept secret by the United States authorities at least as long as we keep it secret.

An hon. MEMBER: Why?

Mr. HANSON (York-Sunbury): I am not going to enter into a discussion on that. There is a principle involved. We have maintained that principle, and the Minister of Finance (Mr. Ilsley) has defended it on many occasions, as all finance ministers have done. As a matter of fact it is usually used in the United States to satisfy curiosity.

Mr. MacINNIS: It is legitimate curiosity.

Mr. HANSON (York-Sunbury): No, it is not. It is no one's business how much my income is as long as I get it honestly.

Mr. GIBSON: It is my business too.

Mr. MACKENZIE KING: I do not wish to intervene beyond saying that I recall that when this matter was under consideration some time before, the information in question related entirely to investments in one country of nationals of the other. It does not mean the disclosure of the entire income of any individual.

Mr. HANSON (York-Sunbury): That is reassuring.

Mr. MACKENZIE KING: The purpose as I understand it is simply to see that nationals of one country who have investments in another country are not taking advantage of that situation to escape paying the taxes they ought to pay to their own country.

Mr. HANSON (York-Sunbury): I have no objection to that.

PREPARATION OF CANADIAN INCOME TAX RETURNS

On the orders of the day:

Mr. G. K. FRASER (Peterborough West): In connection with the statement made by the minister with regard to the collection of taxes at the source, will the minister say just what the Canadian income tax payer is to put on his tax return for 1941, since the tax at present is 27½ per cent, which has been deducted, and it is not likely that refunds will be made for some months to come.

Some hon. MEMBERS: Order.

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

Mr. GIBSON: If the question could be placed on the order paper, I will answer it later.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

*CANADIAN ARMED FORCES—RACIAL ORIGIN

Mr. FRASER (Peterborough West):

1. What is the racial origin of those serving in the active service forces?
2. What is the racial origin of those serving in the reserve forces?

Mr. RALSTON: So far as the army is concerned the records concerning attestation papers do not contain information as to racial origin, and hon. members will understand that one would have to go back into the genealogy of an individual in order to ascertain his racial origin, that is whether he is of the Dutch, Scandinavian, Ukrainian, Polish or the many other races that are in this country. The only method by which it could be done—and it would not be at all accurate—would be simply to guess at the person's racial origin from his name, and I do not think that would be a satisfactory way to arrive at a matter of this kind. I can only say that at the present moment the department is not in a position to undertake to procure the information in that rough and ready way.

CANADIAN ARMED FORCES—CONTRIBUTORY LIFE INSURANCE

Mr. ROSS (St. Paul's):

What action has the government taken with regard to the advisability of making available to the general list of airmen, pilots and officers on active service, officers and other ranks of the army, or the personnel of the navy and merchant marine, some scheme of contributory life insurance such as that in effect in the United States?

Mr. ILSLEY: The suggestion indicated in the question has been considered but no action has been taken.

FRUIT AND VEGETABLE IMPORTS FROM UNITED STATES

Mr. GRAYDON:

1. What was the total value of the imports of fresh fruits from the United States into Canada during the calendar year 1941?
2. What was the total value of citrus fruits and fruits of a class or kind not grown in Canada imported from the United States during the said period?
3. What was the total value of fresh vegetables so imported during the said year?
4. How much grapefruit juice was imported from the United States in 1941, and what was the total value of such importations?
5. What was the amount and value of the importations of all other kinds of fruit and vegetable juices from the United States during the year 1941?

Mr. MacKINNON (Edmonton West):

	Unit	Quantity	Value
1. Fresh fruits	$	....	$15,669,430
2. Citrus fruits and fruits of a class or kind not grown in Canada	$	....	11,692,087
3. Fresh vegetables	$	....	5,716,510
4. Grapefruit juice	Gal.	2,087,436	769,642
5. Other fruit juices	Gal.	459,705	408,629

BANFF AND JASPER NATIONAL PARKS

Mr. KUHL:

What was the amount of revenue derived by the government from the Banff national park and Jasper national park, for each of the years 1937, 1938, 1939, 1940 and 1941?

Mr. CRERAR:

	Banff park	Jasper park
1937-38	$137,948 11	$40,127 76
1938-39	153,154 77	50,737 62
1939-40	161,696 50	49,625 15
1940-41	181,892 14	63,137 66
1941-42*	206,179 78	60,354 67

*At Feb. 23, 1942.

The amounts indicated do not include gasoline, liquor, licence and other revenues collected by the government of Alberta since this information is not available.

[Mr. Gibson.]

QUESTIONS PASSED AS ORDERS FOR RETURNS

WEYBURN, SASK., BARRACKS

Mr. DOUGLAS (Weyburn):

1. What is the total amount of money that has been spent by the government in connection with the International Harvester building used for a barracks at Weyburn, Saskatchewan?
2. What is the total amount paid for rent and what is the monthly rate?
3. How much was paid for alterations and installations when the building was taken over in 1939-40?
4. How much was paid for repairs and maintenance?
5. How much was paid for taking out installations and restoring building to former condition in fall of 1941?
6. To what persons was this money paid and how much was paid to each?

Mr. RALSTON: Return tabled.

EXPORT OF FLOUR—SYNTHETIC VITAMINS

Mr. BRUCE:

1. What was the cost of the synthetic vitamins which were added to flour exported from Canada during the year 1941?
2. Was this cost borne by (a) the millers, (b) the Canadian government, (c) the British government?

CANADIAN ARMED FORCES—CASUALTIES, DISCHARGES AND PENSIONS

Mr. GRAYDON:

1. What is the total number of men in (a) the army, (b) the navy, (c) the air force, who in this war, (i) have been killed on active service; (ii) have died of wounds received on active service; (iii) have died from other causes while on active service; (iv) have been taken prisoners of war; (v) are missing on active service; (vi) have appeared on the casualty lists for any other reason?
2. How many men have been discharged from (a) the army, (b) the navy, (c) the air force, since the war began, by reason of (i) physical unfitness; (ii) injuries or wounds received while on active service?
3. How many pensions have been granted for disabilities incurred while on active service in the present war?

NATIONAL HARBOURS BOARD

Mr. REID:

1. What harbour boards in Canada are under the jurisdiction of the national harbours board?
2. What amounts of money have been loaned to the various harbour commissions and ports up to the end of 1941?
3. What is the amount outstanding to the government by the various harbour commissions in Canada up to the end of 1941, in (a) principal, (b) interest?

WAR APPROPRIATION BILL

PROVISION FOR GRANTING TO HIS MAJESTY AID FOR NATIONAL DEFENCE AND SECURITY

Hon. J. L. ILSLEY (Minister of Finance) moved that the house go into committee at the next sitting to consider the following resolution:

Resolved, that it is expedient to introduce a measure to provide, *inter alia*,

1. That sums not exceeding $2,000,000,000 be granted to his majesty towards defraying any expenses or making any advances or loans that may be incurred or granted by or under the authority of the governor in council during the year ending March 31, 1943, for—

(a) the security, defence, peace, order and welfare of Canada;

(b) the conduct of naval, military and air operations in or beyond Canada;

(c) promoting the continuance of trade, industry and business communicatons, whether by means of insurance or indemnity against war risk or in any other manner whatsoever; and

(d) the carrying out of any measures deemed necessary or advisable by the governor in council in consequence of the existence of a state of war.

2. That the governor in council be empowered to raise by way of loan under the provisions of the Consolidated Revenue and Audit Act, 1931, such sum or sums of money, not exceeding in the whole the sum of $2,000,000,000 as may be required for the purpose of defraying such expenses or making such advances or loans, the principal and interest of any such loan to be a charge upon and payable out of the consolidated revenue fund.

3. That the governor in council be empowered to reexpend advance or loan moneys that may be received by way of refund or repayment of advances, loans or expenditure under the war appropriation acts of 1939 (second session), 1940, 1941 and 1942.

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.

VOCATIONAL TRAINING

APPOINTMENT OF SPECIAL COMMITTEE

Hon. HUMPHREY MITCHELL (Minister of Labour) moved that the house go into committee at the next sitting to consider the following resolution:

That a special committee consisting of Messrs. Bruce, Donnelly, Edwards, Fraser (Peterborough West), Lafontaine, Leger, McCulloch, Marier, Martin, Mitchell, Noseworthy, O'Brien, Reid, Shaw and Winkler be appointed to consider a bill intituled: "An Act to assist in the carrying on and coordination of vocational training" and that the said committee be empowered to send for persons, papers and records and to report from time to time.

Mr. HANSON (York-Sunbury): Is this not a departure from the usual practice—the setting up of a special committee before the bill is introduced?

Mr. MACKENZIE KING: The bill is referred to in resolution No. 9 under government orders.

Mr. HANSON (York-Sunbury): The resolution is on the order paper, but to set up the committee before the resolution preceding the bill is introduced is, I think, unusual. I think this should stand until we get the bill.

Mr. SPEAKER: Stand.

ALASKA HIGHWAY

INQUIRY WITH RESPECT TO BUILDING AND FINANCING OF PROJECT

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): I should like to direct an inquiry to the Prime Minister based on a Washington dispatch and to inquire what if anything is taking place or has taken place with respect

to the Alaska highway, and whether he has any announcement to make in that regard. Which country will build and finance it? The dispatches indicate that a definite agreement has been made to do the work with the troops.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I made a reference to the Alaska highway a day or two ago, and there is nothing I can add to what I said at that time. My statement then was to the effect that the matter was under consideration and negotiation, but that no information of a public nature could be given out at present.

Mr. HANSON (York-Sunbury): And that is the position to-day?

Mr. MACKENZIE KING: That is the position to-day.

Mr. HANSON (York-Sunbury): Do I understand, then, that negotiations are still proceeding, and no agreement has been reached?

Mr. MACKENZIE KING: No agreement that I am aware of, and I think I would be aware of the agreement if there were any.

PRISONERS OF WAR

INTRODUCTION OF AIR LETTER CARD SERVICE FOR CORRESPONDENCE

On the orders of the day:

Hon. W. P. MULOCK (Postmaster General): Mr. Speaker, I wish to inform the house that arrangements are being made for the introduction of an air letter card service for correspondence with prisoners of war. A fee of ten cents will cover air conveyance in Canada, transatlantic air conveyance and transportation by all available air services beyond Lisbon. This service will be introduced as soon as the necessary forms can be made available. It is believed that this privilege will prove to be an important facility for those corresponding with relatives who are prisoners of war. Negotiations are being initiated with a view to securing reciprocal arrangements under which prisoners and internees in Germany, Italy or Canada may correspond with their homeland by air letter card.

SUNDAY LABOUR

LAKE ST. JOHN PULP AND PAPER COMPANY PLANT AT DOLBEAU, P.Q.

On the orders of the day:

Mr. LIGUORI LACOMBE (Laval-Two Mountains) (Translation): Mr. Speaker, I wish to read a letter which I have received from the National Catholic union of the paper manufacturing industry and to draw thereto the attention of the Minister of Justice (Mr. St. Laurent):

Dolbeau, P.Q., March 3, 1942.

Mr. Liguori Lacombe,
Ottawa.

Dear Sir,

Having read an article published by you some time ago, we send you herewith a copy of a letter from the Department of Justice addressed to Mr. P. J. Martel, secretary of the central diocesan council, Chicoutimi, and copy of which has been forwarded to all the syndicates of the Chicoutimi district.

We should like to know why, in spite of the act referred to, the Lake St. John Pulp and Paper Company has manufactured newsprint at its Dolbeau plant on Sunday last March the 1st.

Yours very truly,
The members of the National Catholic Union of the pulp and paper industry of Dolbeau, Inc.
By L. Dumais,
Secretary.

This is the letter from the Deputy Minister of Justice:

Department of Justice, Canada,
Ottawa, January 29, 1942.

Mr. P. J. Martel, secretary,
Central council of . . .

Mr. SPEAKER: Order. I understand that the hon. member has read a communication from himself to the minister and is reading the reply he received from the minister. He is entitled to ask a question, but he should not take too long to lay the foundation. I think now that he has read the letter to the minister he should proceed to ask the question categorically.

Mr. LACOMBE: Very well; I will direct the question to the Minister of Justice.

(Translation): In view of the fact that again on Sunday last the Lake St. John Pulp and Paper company manufactured paper at Dolbeau, will the Minister of Justice (Mr. St. Laurent) take immediate steps to ensure the observation of the law in respect of Sunday labour?

Hon. L. S. St. LAURENT (Minister of Justice): Mr. Speaker, having been unable to understand sufficiently the letters which the hon. member has read, I regret that I cannot give him an immediate answer. I will read them in the transcription of the reporter's notes and will endeavour to give him a reply to-morrow.

WHEAT

REQUEST FOR ANNOUNCEMENT OF GOVERNMENT POLICY FOR PRESENT YEAR

On the orders of the day:

Mr. A. M. NICHOLSON (Mackenzie): I should like to direct a question to the Minister of Trade and Commerce, and I am sorry I did not have an opportunity to send him notice. Before coming into the chamber I received a telegram with regard to meetings of farmers in my constituency, and asking when an announcement might be made with regard to the wheat policy of the government for the present year. I wonder if the minister could give any indication as to when this information may be made available to the farmers.

Hon. J. A. MacKINNON (Minister of Trade and Commerce): I believe the resolution dealing with this matter will be on the order paper to-morrow, and will be proceeded with as rapidly as possible.

LABOUR CONDITIONS

AUTOMOBILE INDUSTRY—PICKETING AND ARRESTS AT WINDSOR

On the orders of the day:

Mr. J. W. NOSEWORTHY (York South): According to the Toronto and Windsor newspapers, picketing is in progress at the Motor Products plant in Windsor, and arrests already have been made. On Tuesday the minister told us that the men at that plant had volunteered to return to work but that the management refused to take them back. Will the minister now tell us what success his department has had so far in getting these men back to work in a vital war industry?

Hon. HUMPHREY MITCHELL (Minister of Labour): The hon. member for Essex East (Mr. Martin) asked me the same question this morning. I have no further knowledge than I had when the hon. member asked the question the other day. At that time I pointed out to him that these men were on an illegal strike; that they had been so informed by myself, and advised to return to work. I forwarded a telegram to the company suggesting that they take these men back to work, and at the moment Mr. Louis Fine, Toronto industrial disputes inquiry commissioner, is in Windsor dealing with the matter.

CANADIAN ARMY

REFERENCE TO STATEMENTS OF MR. POULIOT AND MR. TUSTIN IN DEBATE

On the orders of the day:

Hon. J. L. RALSTON (Minister of National Defence): I want to refer to two matters which have arisen in the house in my absence. There was a statement made by the hon. member for Temiscouata (Mr. Pouliot), during the course of a speech which he delivered on March 2, in which he intimated or left the impression that the inspector general for western Canada, Major-General Griesbach, had some responsibility for the dispatch of the expedition to Hong Kong. I can say to the house that Major-General Griesbach had nothing whatever to do with that expedition.

During the course of that same speech the hon. member read a letter from some young man at a training camp at Brantford, complaining that he had been subjected to some persecution on account of speaking French, and that in the course of an altercation which occurred he was arrested and put into the guard room. I have had a report from the training camp at Brantford, and the information I get is that a check of the guard reports reveals that only two men were confined in the guard room over the week-end of February 1, 1942, which was the date referred to, these being two drunks. Neither of these men was a French-Canadian. Inquiries made of all concerned reveal no knowledge of any such fracas as that described. There is no officer at this training centre by name of Lieutenant Wisseman, which is the name of the officer referred to by the hon. member in his speech.

Yesterday the hon. member for Prince Edward-Lennox (Mr. Tustin) referred to an order for a return passed on February 2, showing the number of men enlisted in the Canadian expeditionary force during each month of the great war, 1914-1918, and the Prime Minister promised to inquire with regard to it. I may say that that return was filed; the figures which were made up were checked, and it was pointed out that there was some discrepancy between the figures in the return and the figures in other papers or documents which had been published. The reason for the delay is to see that the figures are checked, and I expect to be able to file the returns to-morrow.

With regard to the matters about which I spoke first, may I point out that I have been attending the Hong Kong inquiry, and it is impossible to be in two places at the same

time. That is why I was not in my seat to speak about these matters when the hon. member for Témiscouata spoke.

Hon. C. G. POWER (Minister of National Defence for Air): With respect to a question raised about something which may have occurred in Brantford, may I point out that there is a service flying school there. It may be that the air force is involved, and I shall make inquiries.

TRANSFERS FROM RESERVE TO ACTIVE ARMY AT BRANTFORD TRAINING CENTRE

On the orders of the day:

Mr. W. R. MACDONALD (Brantford City): Mr. Speaker, I wish to speak to a question of privilege. In view of the fact that the training centre at Brantford has been brought to the attention of the house, I feel it my duty to point out to hon. members the fact that last week there appeared in the Brantford *Expositor* a statement to the effect that one entire platoon in the camp had gone active. I am happy to read in this morning's *Globe and Mail* that a second platoon has also gone active. I believe this reflects great credit not only upon the commanding officer, but also upon the other officers, non-commissioned officers and men, for the splendid spirit which resulted in this action.

JAPANESE NATIONALS

EVACUATION FROM PROTECTED AREAS—BRITISH COLUMBIA SECURITY COMMISSION

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): May I ask the Minister of Justice if he has a reply to the question I put yesterday.

Hon. L. S. ST. LAURENT (Minister of Justice): Yesterday the leader of the opposition asked who was to support the Japanese population now being removed from protected areas. The British Columbia security commission is empowered to prepare plans dealing with all the details of evacuation and care of that population. Pending the receipt of the plan there is no information I can give my hon. friend.

Mr. HANSON (York-Sunbury): It has been pointed out that many of these Japanese nationals are quite capable of supporting themselves, and that they have assets in this country.

Mr. ST. LAURENT: The security commission has working with it an advisory committee of twenty prominent persons residing in British Columbia, and I have no doubt they will have complete information on the whole problem.

[Mr. Ralston.]

Mr. HANSON (York-Sunbury): They have full jurisdiction?

Mr. ST. LAURENT: They are required to prepare a plan for submission to the minister, and when the plan is approved they will have full jurisdiction to carry it out.

WHEAT

MEASURE TO PROVIDE ACREAGE REDUCTION AND CERTAIN PAYMENTS TO FARMERS

Hon. J. G. GARDINER (Minister of Agriculture) moved that the house go into committee to consider the following resolution:

Resolved, that it is expedient to introduce a measure respecting wheat acreage reduction, to provide for the payment of certain sums to farmers in connection therewith, and for the administration of the act.

He said: Before you leave the chair, Mr. Speaker, I should like to explain that a suggestion has been made to me that this resolution, another resolution introduced by the Minister of Trade and Commerce and a bill on prairie farm assistance, which I shall introduce tomorrow, should all be advanced to the same stage before a general discussion takes place. This suggestion is made because there is some association among these measures. It is suggested that that should be the stage at which the bills are in the hands of hon. members.

I have discussed the matter with the three groups opposite, and I understand that the suggestion will meet with the approval of hon. members in those groups. If so I should like now to have this resolution advance to the stage where it will be possible to introduce the bill to be based upon it.

Mr. E. E. PERLEY (Qu'Appelle): A few days ago I made the suggestion to the Minister of Agriculture that since this matter was being handled this session by way of bills rather than by orders in council, it would be satisfactory if we could see the bills before any discussion took place. These matters are interwoven, and all the measures would have reference to practically the same thing, namely the producing and marketing of wheat. I believe we could not segregate the two questions.

This is now March 5, and seeding will commence in western Canada in about a month. The farmers out there want to know what they are going to be asked to do with respect to reducing their wheat acreage, and also they wish information as to prices. If these bills were to go through in the ordinary way, and discussion were to take place on each before going to committee, any one of them might be delayed for three weeks or so. Therefore in order to facilitate the passage of these measures

I have suggested that both ministers should make their statements, that we should advance all measures at least to first reading, and have any general discussion at that stage. If that is agreeable, I am sure our group would be willing so to proceed. I should like to hear a statement from each minister, so that in the discussion there will be no overlapping and repetition. It might all very well be done at one and the same time.

Mr. COLDWELL: I can assure the hon. member for Qu'Appelle we have given our assurance to the minister that the procedure he has suggested is satisfactory to us. I believe that is the best way to proceed.

Mr. BLACKMORE: Our group hold the same view. We are very anxious to hear the government's policy at the earliest possible moment.

Mr. HANSON (York-Sunbury): The arrangement is that both ministers shall make their statements to-day?

Mr. GARDINER: No, that we make our statements on first reading.

Mr. HANSON (York-Sunbury): If that is understood, I am agreeable.

Mr. DOUGLAS (Weyburn): May we have some information from the government as to how soon the ministers will be in a position to make their statements? We are perfectly willing to follow this procedure, but the minister must know that we are receiving letters from all parts of Saskatchewan which indicate that matters are in a serious condition, and feeling is running high. This resolution has been on the order paper about a week. We would like to know particularly when the Minister of Trade and Commerce will make his statement.

Mr. GARDINER: There is a resolution which has been advanced one stage, and in connection with which a bill will be introduced by the Minister of Trade and Commerce. So long as consent of the house is given to a change being made in the wording, so as to advance matters to-morrow, it will be possible to bring in the statements on Monday. If these resolutions can be advanced to-day and to-morrow, then those statements can be made by both ministers on Monday, and we can proceed from that point.

Mr. HANSON (York-Sunbury): I want to understand the situation. Apparently all parties are in agreement, and the hon. member for Qu'Appelle is of the same opinion. He wishes to see the bills, and to have statements from the ministers. The usual practice is for a minister to make a statement in the resolution stage, and personally I do not see any reason to depart from that procedure. But if my hon. friend from Qu'Appelle is satisfied, I am.

Mr. GARDINER: I believe what the hon. member for Qu'Appelle says is true, namely that it is difficult to discuss one without the other. One would have to ask questions with respect to one bill before he could make a decision with respect to the others. The suggestion is made that we have all bills before hon. members before we start, so that we may read them.

Mr. HANSON (York-Sunbury): And hear the ministers' statements.

Mr. GARDINER: Yes.

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

Resolution reported.

Mr. SPEAKER: When shall the report be received?

Mr. HANSON (York-Sunbury): It is understood that the ministers will make their statements on the first readings, and that they will be made on the same day—on Monday.

Mr. GARDINER: Yes.

Mr. SPEAKER: I would call the attention of hon. members to the fact that when a bill is read the first time there is no debate.

Mr. HANSON (York-Sunbury): That is just the point; that is the whole thing. We are departing from the rule. Let us stick to the rules; what are they there for?

Mr. TUCKER: By consent.

Mr. HANSON (York-Sunbury): It is an impossible position.

Mr. MACKENZIE (Vancouver Centre): May I point out to my hon. friend that it is quite usual for ministers to explain the principle on the first reading and then the bill can be turned over for debate on the second reading.

Mr. HANSON (York-Sunbury): That is very helpful.

Resolution read the second time and concurred in. Mr. Gardiner thereupon moved for leave to introduce Bill No. 12, respecting wheat acreage reduction.

Motion agreed to and bill read the first time.

CANADIAN WHEAT BOARD ACT

PROVISION FOR INCREASED RATE PER BUSHEL ON WHEAT DELIVERED BY PRODUCERS

On the order, "Government notices of motions."

Right Hon. W. L. MACKENZIE KING (Prime Minister): In order to facilitate what has been agreed to, and in order that a statement may be made on Monday by the minister with respect to its subject matter, I would direct the attention of hon. members to the following resolution under government notices of motions which stands in the name of the Minister of Trade and Commerce:

Resolved, that it is expedient to introduce a measure to amend the Canadian Wheat Board Act, 1935, by making provision for the payment of an increased rate per bushel on wheat delivered by producers and in addition the payment of a further sum by warrant in respect of wheat grown in the western division in 1942.

The Minister of Trade and Commerce intended to amend this resolution by omitting certain of its words. If the house will agree to return to government notices of motion and allow me to move that the resolution in the name of the minister, as amended by the omission of the words "and in addition the payment of a further sum by warrant in respect of wheat grown in the western division in 1942," be considered at the next sitting of the house, I will do so. The resolution would then appear on the order paper to-morrow under government orders.

I would say that His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Hon. R. B. HANSON (Leader of the Opposition): I understand the hon. member for Qu'Appelle (Mr. Perley) has intimated to the minister that he is agreeable to this, but the procedure is wrong. It is in defiance of the rules of the house and should not be considered a precedent for the future. The minute we depart from the rules we run up against snags in the future development of legislation and I think in the future we should observe the rules.

Mr. MACKENZIE (Vancouver Centre): You do it every day.

Mr. HANSON (York-Sunbury): That is the trouble; at the request of the government it is done every day. We are violating the rules of this house every day. They do not seem to mean very much now.

[Mr. R. B. Hanson.]

Mr. E. E. PERLEY (Qu'Appelle): We have been here well on to two months and there has been enough delay. There has been so much discussion on the plebiscite bill and on the address that I agreed to this for the purpose of getting something done so that the people in western Canada would know where they are at and where they are going to get off this spring. Take my own case for example; this will likely change my whole programme of farming this summer. I did this only to facilitate matters and get it through. I am not urging any further breaches of the rules. I simply want us to get on with this matter so that we can do something.

Mr. BLACKMORE: It has been most difficult to hear down at this end of the chamber what has been going on in the last half hour. I am not too clear about what it was the Prime Minister wished to do with respect to this resolution. It is simply impossible to hear what is going on. If the Prime Minister wishes to amend this resolution I should like to know just what the amendment is.

Mr. MACKENZIE KING: What I am seeking to do on behalf of the Minister of Trade and Commerce is to advance one stage the resolution which stands in his name. It is the first under government notices of motion. My motion is for the purpose of advancing the resolution one stage through complying with the formality whereby the minister declares that His Excellency the Governor General, having been made acquainted with the subject matter of the resolution, recommends it to the consideration of the house. That is all I am seeking to do, except also to ask that the resolution be amended by striking out the words, "and in addition the payment of a further sum by warrant in respect of wheat grown in the western division in 1942." The minister wishes those words to be stricken out. I am seeking to have the resolution thus amended advanced one stage.

Mr. PERLEY: Does this mean that the minister is going to change the bill altogether? The impression you get from this resolution is that there is going to be a price fixed and then provision is to be made for a bonus afterwards. Now you are going to eliminate that part of the resolution that provides for the payment of a bonus, so that the bill that will

follow will be only half the resolution, so to speak. I do not think we should agree to that now. I think we should follow it up in the proper way. This changes the whole bill.

Mr. MACKENZIE KING: I was simply trying to meet my hon. friend's wishes. If he prefers not to proceed now, this resolution will be withdrawn to-day and another substituted for it to-morrow with the few words I have indicated omitted. The minister does not wish to have those words form part of the resolution. When the bill is introduced he will state exactly what its provisions are. The bill is prepared and the minister is ready to introduce it to-morrow so that it can be discussed on Monday, but the resolution would have to be advanced one stage to-day. Otherwise, we would have to wait until Tuesday, before a statement could be made on the bill.

Mr. PERLEY: It would not be the same bill that is indicated by this resolution. There would be a change of policy.

Mr. COLDWELL: I think we should agree to it, because if the resolution is withdrawn, and the government has the power to do it to make the changes, it would mean another delay. I must say that we did not hear what was said just now, but lately we have not been listening to a lot of the discussion that has taken place across the floor of the chamber because some of it seemed entirely too long and of little consequence.

Motion as amended agreed to.

THE ROYAL ASSENT

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

Ottawa, 5th March, 1942.

Sir:—I have the honour to inform you that the Right Hon. Sir Lyman P. Duff, Chief Justice of Canada, acting as deputy of His Excellency the Governor General, will proceed to the Senate Chamber to-day, Thursday the 5th March, at 5.50 p.m., for the purpose of giving the royal assent to certain bills.

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

CANADIAN ARMED FORCES

REINSTATEMENT IN CIVIL EMPLOYMENT OF PERSONS WHO ENLIST IN HIS MAJESTY'S FORCES

The house resumed from Wednesday, March 4, consideration of the motion of Mr. Mitchell for the second reading of Bill No. 5, to provide for the reinstatement in civil employment of individuals who enlist for service in his majesty's forces or who perform essential war employment.

Mr. A. W. ROEBUCK (Trinity): Mr. Speaker, the house is addressing itself to Bill No. 5, the principle of which is to secure to men in the active armed forces of Canada reinstatement in the civil positions which they occupied prior to enlistment upon their honourable discharge from military service. I wish to express my hearty sympathy with the object and purposes of this bill. The plight of the returned soldier, after months or perhaps years in the routine of camp and perhaps the din of battle, coming back to Canada and endeavouring to reinstate and reestablish himself in civil life, is one which should commend itself to the sympathy of all members of this house. To me this has always been and is now a matter of special and peculiar interest. I can imagine no more difficult and undesirable position in which to be placed than to be told that your time is worthless or your work is no good, that for you there is no place in the sun.

The last war, Mr. Speaker, was a terrible disaster. Undoubtedly, when you add up all the factors, I have described it correctly as a great disaster. But it does seem to me, and I will venture the statement that the long period of unemployment which followed the great war was a greater disaster; that, notwithstanding the loss of life of the great war and its tremendous cost in human flesh and blood, the moral degradation, the destruction of human fibre, was greater in those years of extensive unemployment than it was in the fighting period. That is perhaps a broad statement, but I believe that most hon. members who went through that period and associated with and saw the struggles of those attempting to find work to support their families, will agree with me.

It would be very easy indeed to criticize destructively the weakness and the insufficiency of this bill, if any public purpose were to be served by so doing. There are three outstanding weaknesses, or shall I say insufficiencies, in the bill.

In the first place, the bill seeks to grant its benefits only to those who held positions before

enlisting, so that it entirely overlooks the very large number of men who unfortunately, and possibly only temporarily, were without jobs at the time they entered his majesty's service.

Second, it assures to those who did hold jobs at the time of enlistment no better jobs than they had when they went away, irrespective of how poorly they were paid at that time and irrespective of changing conditions; with this exception only, that it does respect the seniority rights of those who enlisted, if such rights of seniority ever existed —and of course they exist in only a few cases.

A third insufficiency of this bill is that it does not make provision—and of course it could not do so—for those whose jobs will no longer exist by the time they return from war, and that may well be so in a very large number of instances, in the rapidly changing economic and social conditions of to-day.

The bill is little more than a gesture; on the other hand it is a good gesture; it is in the right direction, and it shows that the new Minister of Labour (Mr. Mitchell) at least realizes the existence of the problem which Canada at some time must confront, that is to say, the return and demobilization of a large number of men.

The realization of the general problem, which is more interesting perhaps than the bill itself, is to be found in the preamble. The first words which I wish to quote are as follows:

> . . . a great national problem will be presented when the members of those forces complete their service and are to be returned to civil employment.

And the next words, at the bottom of the paragraph:

> . . . it is deemed expedient for the security, defence, peace, order and welfare of Canada that provision should be made for the orderly reinstatement in their previous employment of such persons aforesaid;

Now, if it is expedient that men should be returned to employment who had employment previously, surely the expediency is not confined to those persons only. It is expedient —most expedient—that all men on discharge from the armed forces of Canada be given employment. The importance is attached to employment for all, not merely to reinstatement for some.

The government evidently has realized one aspect of the problem, and I suggest that surely the government also recognizes the other horn of the dilemma.

Nor is that expediency to which I have referred limited to those leaving the armed forces. I am sometimes appalled at the thought of what will occur when we demobilize the army of Canada and perhaps half a million men are thrown suddenly on the labour market, to join some seven hundred thousand men and women discharged from the munitions factories. So, Mr. Speaker, you have a picture of possibly 1,200,000 soldiers of Canada, workers if you like, those in uniform and those in overalls, all contributing at present to Canada's war effort, suddenly discharged upon the streets to be enlisted in the army of the unemployed. That is the picture which, I submit to this house, may well appal the boldest who looks forward—something at which the stoutest heart may quail, as we look into the future and contemplate what may happen and what will happen if nothing is done to prevent it.

It is the duty of this parliament to study diligently that problem and to see to it, if it is within our power to do so, that no such post-war catastrophe shall occur in this country. That study should commence right here and now. It is a high task to which we are called. We are not alone in being called to that task. We are not alone in the concern which I am expressing and which all hon. members must feel, nor are we alone in the vision which some people at least are catching, not of the disaster which is ahead of us if we are so foolish as to allow it to overtake us, but rather the vision of a new order and a better world which we can create if we have the wisdom to do so.

These thoughts are stirring everywhere. It may be that some other hon. members do not meet the evidences of this thought—though perhaps I am in no special position—as much as I do. I say "perhaps" because I see welling up around me on every side discouragement and discontent and the desire to meet in some way the problem which everyone feels is coming upon us.

May I call attention to one of the greatest documents of modern history; I refer to the Atlantic declaration. It has been referred to as the modern magna charta of human freedom, and perhaps the description was justified. It was promulgated by the two great leaders of democracy, the Prime Minister of Great Britain and the President of the United States. It was approved by the self-governing dominions and by Russia. It was described by the Prime Minister of Great Britain as "a rough and ready goal towards which the democracies are marching."

I pass over the political clauses of the declaration, although they are of historic import, and I call the attention of the house to paragraphs 4, 5 and 6, because they embody the economic declarations of the charter and apply in general principle, or are of interest in a

general way, to the principle of this bill. May I read these three short paragraphs from the declaration:

4. They—

When we read "they" it means the two signatories to the document, and behind them the great nations which they represent.

4. They will endeavour, with due respect for their existing obligations, to further the enjoyment by all states, great or small, victor or vanquished, of access on equal terms to the trade and to the raw materials of the world which are needed for their economic prosperity.

5. They desire to bring about the fullest collaboration between all nations in the economic field, with the object of securing for all improved labour standards, economic advancement and social security.

Social security is the object of this bill.

6. After the final destruction of the nazi tyranny they hope to see established a peace which will afford to all nations the means of dwelling in safety within their own boundaries and which will afford assurance that all the men in all the lands may live out their lives in freedom from fear and want.

The declaration seems to recognize the disastrous part which social injustice plays as a basic cause for war and world upheaval, and it gives certain assurance that we, the members of this house—because included in those represented at that meeting are the members of this house—it gives the assurance, by ourselves and others, to both the victor and the vanquished, of access on equal terms to the trade and raw materials of the world which are needed for their prosperity, to the end that all men may live their lives in freedom from fear and from want.

The objects of the signers of the treaty are improved labour standards, economic adjustments, and, above all, security such as we would give to the young men discharged from the ranks of our soldier forces.

If that means anything, Mr. Speaker, it means greater freedom of trade, not a narrow protectionist doctrine such as I heard at least referred to in yesterday afternoon's debate by the hon. member for Broadview (Mr. Church) —freedom of trade, greater freedom at least, and not as he would have, greater restrictions.

If that means anything, it means equal access by all to the raw materials of the world; and of course access to the raw materials of the world can be secured only by access to the lands, forests, mines and other natural resources of the world, from which those raw materials are derived.

Speaking about unjust social conditions as a cause for war, surely we may assume that the German armies could never have been induced to make their attack upon the lands of Russia had they not been themselves debarred in some way from free access to their own lands, debarred by unrestricted rents and prices of land charged to the poor German people by the junker class.

I give expression to these thoughts because they seem to apply to what I think are the three principles of social reconstruction which we must observe on the conclusion of this war, if we are not to run into great trouble and great cost. There are three points which I would mention *seriatim*.

In the first instance there must be a sufficient clearing of the avenues of trade to allow all commodities to pass freely within our own land and from our own land to other lands and back. For that purpose there must be a reduction in tariff levies, in quotas and restrictions of that nature; and then I suggest that there must be every possible improvement that we can make in the facilities for communication and transportation. I mention in that connection the St. Lawrence waterway. We should develop that great highway of traffic in order that it may contribute to our greater freedom of trade, the transporting of our commodities, the making of our inland lakes into ocean passages for freight, and the harbours of the inland lakes into ocean ports. That is one thing. We must have freedom of communication, and to the extent of our ability we must abolish, we must sweep away, obstructions to trade both physical and legal.

The next thing which we must do, it seems to me, is this. We must organize industry, and I include in that financial organization, so that business men may be prepared to launch enterprises which will make use of the raw materials of our land and thus absorb our population into profitable employment.

There is also a third principle—and this is the last point I am making in this series. There should be such governmental interference as may be necessary to ensure that Canada's natural resources shall be held by the owners in trust for use and not alone for profit. That is the most important of the three statements I have made. First, freedom of trade and communication; second, organization of industry and finance so that the captains of industry may plan in advance the enterprises which are required for the use of our materials and the employment of our population; third, a recognition, individually and collectively by our people, recognition by our parliaments and in our legislation, that ownership is for use and not alone for profit. To keep any natural facilities out of use is at least an unpatriotic act.

Canada is standing on the threshold of a great opportunity, an opportunity which if neglected or misused means disaster, but which if seized by the men in control, with

the agreement of those who support us, and used with judgment and energy, may make of this country one of the greatest in the whole family of nations.

I want to compliment the hon. member for Davenport (Mr. MacNicol) upon the most excellent speech which he made yesterday afternoon, with the spirit of which I most heartily agree. He is my next-door neighbour; is a good neighbour, and I like to see him address himself to problems of this kind. I think that he and I have the same outlook, if not the same philosophy. He expressed the hope that at the close of this war we shall not face the kind of conditions through which we passed at the close of the last war. Of course I echo that hope, but hope alone is not enough; what is needed is thought, serious thought, and thought followed by resolute action.

"Where there is no vision the people perish." We should be thinking of this problem now. To leave it until the war is ended and the disaster is upon us is not good enough; it will be too late. We should be thinking about this matter now and should be planning developments. We should see to it, to the extent of our ability, that we go on with the St. Lawrence waterway, thus adding some two or three thousand miles of coast line to our already extensive seaboard, and giving to the province of Ontario another million horse-power of electric energy. Let us combine this vast supply of electric energy with these unexampled facilities for trade, and then organize industry to make use of these wonderful facilities.

I wonder if this house catches the vision of these great lakes and the areas which surround them, the vision of a great industrial population, great cities, teeming populations of active and happy men engaged in production, if we but see to it that these resources are made available, that they are used and not simply held, and that the captains of industry intelligently apply their thought to the problem of bringing about the enterprises which are necessary to use the natural resources and employ our people.

I suggest to the Minister of Labour that he should be planning now—not little bills like this, although I heartily approve of this bill; he should be planning, if we are to avoid disaster, the broader development which should come to this country at the close of this war. We must plan the use of the lands, the forests and the mines to this general end; the conversion of the factories which are now making munitions of war to the production of food and clothing and the distribution of the goods, and the general principles which apply in both cases.

[Mr. Roebuck.]

Let us plan for the peace—for peace must come some time. During the course of the war between the north and the south, which to them was the disaster of history, Abraham Lincoln assured his people that "even this will pass"; and so will the disaster of the present war. Even this will pass; perhaps earlier than we can at this moment realize, that time will be upon us, and we should to-day be planning for the days of peace with the meticulous care for detail and with the energy and foresight with which Hitler planned for war. We can do it, but if we are to win the victories of peace we must not approach the problem in the lackadaisical way in which we approached the problems of war.

I say to the Minister of Labour that he should at the present time be calling to his help and surrounding himself with men of knowledge, men of experience and judgment. There should be councils of workers and managers and owners and financiers, and these men should now be working out this problem. Work it out we can if we but give our unselfish devotion to it. Everyone who can contribute should be called around this council table to work out the details as well as the general principles.

This little bill is all right as a gesture; it may confer some benefit here and there, although it does seem to me that anything which the bill compels would be given voluntarily by any decent employer. There may be some employers who are not decent, and so far as they are concerned the compulsion applied by the bill will be of advantage. It is a step in the right direction, a step which I welcome, but only a step. If the Minister of Labour would attack the broader problem, he can solve the problem of employment. If he can organize in advance the industries which can employ these men, so as to avoid the disasters which followed the last war; if he can do this, the name of the present Minister of Labour will find a place in the history books of this country.

Mr. T. C. DOUGLAS (Weyburn): I should like to extend my congratulations to the hon. member who has just taken his seat (Mr. Roebuck) upon the very excellent speech he has made, and his far-seeing and prophetic outlook upon the post-war world. I only hope that the point of view he has expressed will be infectious and that some of his colleagues will catch it, particularly some of those who sit on the treasury benches.

The problem of reestablishing and rehabilitating the men who come back from the fighting services is probably the most important question, next to the winning of the

war, that can engage the attention of members of this house. In view of the sad experiences after the last war I am sure a great many people in Canada felt that we would do better during and after this war. I doubt, however, if that hope has been realized. It is interesting to go back and see what we have done to care for and reestablish our returned men in the two and a half years that Canada has been at war. I remind the house that in the first two years we were at war, that is, prior to October 1 last, we did absolutely nothing for the men who were being discharged from the fighting services. The sum total of our contribution to their welfare was to hand them one month's pay and turn them loose to fend for themselves. I think the most pathetic sight I ever saw was in walking down the main street of my own town and meeting a man whom I had last seen in uniform. He was pale, shaky and walking very slowly. To my amazement I found that this man had been discharged from hospital still running a temperature, with a month's pay in his pocket and a cheap suit on his back. He was looking for a job, but was not physically capable of taking one if someone had offered it to him. I took up his case with the responsible authorities. After a long exchange of letters nothing was done, and the Canadian Legion in my district finally succeeded in helping him to secure some employment.

Our treatment of the men discharged from the fighting services in the first two years of this war is something that ought to make every member of this house blush for shame. I will say more; it has been a deterrent in our recruiting campaign. Nothing will tend more to keep young men who are thinking of joining the active service forces from doing so than to have returned to their community some man who cannot get a job and cannot rehabilitate himself, and for them to see him either going on relief or going from one government department to another to see if someone will not take care of him until he can find employment.

That is the situation. Hon. members will remember that in 1940, when this parliament was first convened, the Prime Minister had on the order paper a resolution calling for the setting up of a select committee of this house to study the whole problem of reconstruction and rehabilitation. For some reason which has never been explained to us, that motion was taken off the order paper. No committee was ever set up. I believe an interdepartmental committee was set up under the Department of Pensions and National Health, a committee composed of a number of university presidents and I believe a representative of one labour organization. But nothing has been done toward harnessing the abilities of this house, or of business, industry, labour and agriculture, to the problem of laying out a comprehensive and adequate scheme to take care not only of the dribble of men coming out of the armed services now but also of the hundreds of thousands of men who will be demobilized when peace comes.

To be fair, of course, one must say that there has been some change by the government in the past few months. On October 1, 1941, order in council P.C. 7633 was passed, marking the beginning of a recognition of the government's responsibility in respect to these men. Under this order in council returned men are given benefits under the unemployment insurance scheme, single men receiving $9 a week and married men $13 a week for periods varying in accordance with the length of their service but in no case to exceed fifty-two weeks. Under this scheme there is also some attempt to help these men get placed in civilian employment. But even here, tied up as it is with unemployment insurance, these men are finding it very difficult to be adequately taken care of. Only yesterday I received a wire from Edmonton, Alberta, which said:

> Discharged soldiers this war starving Edmonton. Unemployment insurance cheques delayed repeatedly at Calgary. Must have action now.

The difficulty is that the problem of reestablishment and reconstruction is tied up with the unemployment insurance scheme, with only one placement officer in the province, to whom these men have not access. These men come back; they are confronted with all sorts of red tape and find themselves either inadequately cared for or improperly reestablished in civilian life.

Now, coming to the bill itself, I would say that while there can be no quarrel with the principle of trying to reestablish men in civilian life, this bill is of course merely an improvisation. The hon. member for Trinity (Mr. Roebuck) called it a gesture, but a beautiful gesture. I think it might better be called a gesture but an empty gesture.

Mr. MITCHELL: It is not fair to say that.

Mr. MARTIN: Was this bill not approved by the legion?

Mr. MITCHELL: It was approved by the legion.

Mr. DOUGLAS (Weyburn): By whom it was approved is not the important thing. The important thing is whether or not it will contribute materially toward reestablishing and rehabilitating men coming back, not only now

but after the war. While it is a gesture, and is to be commended, I think it will have to be a part of something much bigger if it is to have any real value in the way it is intended.

For a few moments I should like to direct attention to the bill itself. In the first place it should be pointed out that it covers only certain classifications. That is, it covers men who have been in active service or men who, having taken training under the National Resources Mobilization Act, have been put on garrison duty. As I understand it from reading the bill, it will not take care of men who have been taken out of civil employment for compulsory training and released upon the completion of that training. They will not benefit under this legislation. I hope when we reach the committee stage the minister will tell us why these men who have been compelled to leave their jobs—

Mr. MITCHELL: I can tell my hon. friend now, if he will permit me. It is because they are already covered in the regulations dealing with men called up for military training, in somewhat similar but briefer language than this.

Mr. DOUGLAS (Weyburn): I have a wire here from a man in Regina who was working for a certain concern, and who was called up for training. At the end of two and a half months, his health not being able to stand it, he is discharged as medically unfit. He goes to get his job back, and they say to him, "Your job has been filled, but we can give you another job." After working two weeks they say, "You are not physically fit to take the other job, because it requires a much stronger person"—and he is discharged. This man has no means by which he can compel the firm for which he was working prior to his being called for training to rehire him in his former position. All his attempts have been in vain, and that is the position in which he finds himself.

Mr. MACKENZIE (Vancouver Centre): Whom was he working for?

Mr. DOUGLAS (Weyburn): I shall send the letter to the minister.

Mr. MACKENZIE (Vancouver Centre): Every single case which has come to my attention has been reinstated.

Mr. HANSON (York-Sunbury): How many of them?

Mr. MACKENZIE (Vancouver Centre): Not very many have come to our attention.

Mr. HANSON (York-Sunbury): Most employers are very generous.

[Mr. T. C. Douglas]

Mr. MACKENZIE (Vancouver Centre): Yes, and in every case they have taken the men back. If my hon. friend would give me privately the facts concerning the case he mentions, I will see that the man is reinstated.

Mr. DOUGLAS (Weyburn): I thank the minister for that. But the case has already been referred once or twice to government authorities.

Mr. MACKENZIE (Vancouver Centre): Has it come to my attention?

Mr. DOUGLAS (Weyburn): I do not think it has come to the attention of the minister.

Mr. MACKENZIE (Vancouver Centre): Every single case—one hundred per cent of them—has been reinstated, under the order in council. There has not been a single refusal.

Mr. DOUGLAS (Weyburn): Representations have been made to the Minister of National War Services and Minister of National Defence.

Mr. GOLDING: When a quotation is made from a letter it should be laid on the table.

Mr. DOUGLAS (Weyburn): The letter can be laid on the table. But if the hon. member who is scratching with his pen would listen to the debate, instead of merely popping up and displaying his general ignorance of procedure in the house—

Some hon. MEMBERS: Order.

Mr. DOUGLAS (Weyburn): —it would be more to the point. Further, I did not quote from the letter.

Mr. MACKENZIE (Vancouver Centre): I do not wish to interrupt my hon. friend, but there is authority under the old order in council which this bill now supplants. I must repeat that no case has come to my attention which has not been reinstated. I would ask him as a matter of kindness to bring to my attention the case he has in mind, and I will guarantee action on it.

Mr. DOUGLAS (Weyburn): I thank the minister for that.

Mr. GOLDING: With reference to the hon. member's uncomplimentary remarks about myself, I do not think it is out of place to ask that any letter from which a quotation is made should be laid on the table.

Mr. COLDWELL: But it was not quoted from.

Mr. DOUGLAS (Weyburn): I did not quote from the letter; I merely referred to a case.

I wish to thank the Minister of Pensions and National Health for saying that the matter will be given attention.

Mr. MACDONALD (Brantford City): I do not think the hon. member for Weyburn should have used the word "ignorance". He should be asked to withdraw.

Mr. DOUGLAS (Weyburn): I shall be glad to withdraw the word "ignorance" with respect to the hon. member.

Mr. MARTIN: Let us all control our tempers.

Mr. DOUGLAS (Weyburn): Of necessity the bill is very limited as to the number of returned men who will be affected by it. As I have already said, it will not touch, for instance, men who were unemployed prior to enlistment. That covers a large number. Any of us who remember the fall of 1939, and the thousands of men—

Mr. MARTIN: That will be covered in the other bills.

Mr. MACKENZIE (Vancouver Centre): There are other measures to look after that situation. There are many other measures. I sent a circular letter to every hon. member in the house with reference to the terms of an order in council passed on October 1, 1941, in which there are specific measures for looking after those who were unemployed before.

Mr. DOUGLAS (Weyburn): The minister was out of the house when I referred to order in council P.C. 7633, and the provisions in respect thereto. But if he wishes, I shall pick up the thread of my argument.

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. DOUGLAS (Weyburn): The order in council in question cares for men who come under the unemployment insurance scheme for only a period of time equivalent to their length of service, but not more than fifty-two weeks.

Mr. MACKENZIE (Vancouver Centre): That is only one of six specific benefits enumerated in the order in council.

Mr. DOUGLAS (Weyburn): That is quite correct. But let us consider the man who was unemployed prior to enlistment, and who now finds that when he leaves the army he receives the benefits under the order in council to which the minister has referred. He may be in a position to take the vocational training. But there will have to be something much more comprehensive if we are to guarantee him two things: we have either to guarantee him care, and be responsible for him until he can be placed—

Mr. MACKENZIE (Vancouver Centre): That is exactly what the order in council does.

Mr. DOUGLAS (Weyburn): I must differ from the minister.

Mr. MACKENZIE (Vancouver Centre): I do not think my hon. friend is familiar with P.C. 91, which was complementary to the order in council of October 1.

Mr. DOUGLAS (Weyburn): I have it here as a matter of fact. I am pointing out that the whole problem of rehabilitation boils down to three things. First, the government must be prepared to accept complete responsibility for the men until such time as they are gainfully employed, irrespective of the length of time required for that purpose. Second, the government is responsible for the training of these people, so that they can be put into some—

Mr. MACKENZIE (Vancouver Centre): That is all arranged for.

Mr. HANSON (York-Sunbury): Let him finish.

Mr. MARTIN: This whole discussion is out of order.

Mr. MACKENZIE (Vancouver Centre): I am surprised that my hon. friend is not more familiar with what has already been done.

Mr. COLDWELL: I rise to a point of order. The minister will have ample opportunity to reply to the statements made by the hon. member for Weyburn, and I suggest he ought not to interrupt, unless he has permission from the chair to do so. There is no hon. member in the house who rises more frequently to points of order with respect to other people than does the minister himself. I would ask him too to observe the rules.

Mr. MACKENZIE (Vancouver Centre): I thought I was rising with the consent of the hon. member for Weyburn.

Mr. MARTIN: I rise to a point of order. This is an important discussion, but hon. members have not come prepared to discuss the whole question. The question before us now is Bill No. 5, which has to do with a relatively small but specific problem related to the whole matter. I do not wish in any way to interrupt the discussion, because it is an important one, and one in which I purpose taking part. But we ought to discuss only

the subject matter which has been given us, and that is the subject matter of Bill No. 5. The hon. member may be discussing important matters, but surely he is not discussing the bill.

Mr. HANSON (York-Sunbury): On a point of order—

Mr. SPEAKER: There is no point of order. This is debate on the second reading of a bill, and the hon. member is speaking within the rules.

Mr. HANSON (York-Sunbury): On second reading of a bill surely it is the right of an hon. member to discuss its deficiencies. Surely he is permitted to discuss what is lacking in the bill. He could discuss alternatives in matters of policy.

Mr. MARTIN: Yes, but that is not what is being done.

Mr. SPEAKER: I have already ruled that the hon. member is in order, and I would ask that he be allowed to continue without further interruptions.

Mr. DOUGLAS (Weyburn): I did not hear what Your Honour said.

Mr. HANSON (York-Sunbury): He says you are all right; go ahead.

Mr. SPEAKER: I have said that the argument of the hon. member is in order, and that he is entitled to proceed without further interruptions.

Mr. DOUGLAS (Weyburn): May I point out that the hon. member for Trinity discussed the Atlantic charter.

Mr. MARTIN: He was certainly at sea.

Mr. SPEAKER: Order.

Mr. DOUGLAS (Weyburn): The following words appear in the preamble to the bill:

> Whereas in view of the necessity of raising large military forces for service in the present war and for the defence of Canada, a great national problem will be presented when the members of those forces complete their service and are to be returned to civil employment.

I take it that the principle of the bill before us has to do with the whole question of reestablishment and rehabilitation. I have no desire to enter into any controversy with the Minister of Pensions and National Health or with the Minister of Labour, but we should have from both ministers statements prefacing this bill and the bill respecting vocational training which is to come later.

Mr. MACKENZIE (Vancouver Centre): I promised the hon. member for Macleod (Mr. Hansell) at the last session that I would make such a statement. It was my intention to make it when the war appropriation bill was before us, because I thought that that would be a more appropriate occasion than this to deal with the whole question of rehabilitation and reconstruction. The argument has broadened out this afternoon and it may be necessary to make this statement before then.

Mr. DOUGLAS (Weyburn): My point was that this bill, the bill dealing with vocational training, and the bill dealing with soldier land settlement ought to have been prefaced by a comprehensive statement by one or more ministers outlining the whole scheme. No person can discuss this particular bill by itself. It is a small part of a great picture, and perhaps I was putting it too strongly when I said that it represented only a gesture; it is not much more than a gesture taken by itself. It must be considered in the light of what the government proposes to do in the whole field. This bill will touch only a limited number of people; it will touch only those who had jobs before the war. It cannot do anything for the man who joined the army from college or high school. This bill deals specifically with that group of men who had employment and who were not filling jobs that had been held previously by other men who had joined the army. As I say, this is only a small part of a complicated jig-saw puzzle, and I think the ministers might have given us a panoramic view of the whole thing and then brought down the different measures they had in mind. Instead of that, we are going forward on a piece by piece basis, and it is not as easy to see the scheme they have in mind.

It does seem to me that of necessity there are two weaknesses in the bill. The loopholes left for the employer are very wide. It may not be easy to narrow them down, but they certainly are too wide at present. For instance, section 4 reads:

> In any proceedings for the violation of section 3 of this act, it shall be a defence for the employer to prove,—
>
> (c) that, by reason of a change of circumstances, other than the engagement of some other person to replace him, it was not reasonably practicable to reinstate him or that his reinstatement in an occupation and under conditions not less favourable to him than those which would have been applicable to him had he not been accepted for services with the armed forces was impracticable,

The difficulty, of course, will be to prove whether or not it is practicable to reinstate a man. I am not a lawyer, but I imagine that a good lawyer could drive through that with a two-ton truck. Then the next clause reads:

> (d) that he was physically or mentally incapable of performing work available in the employer's service.

That leaves pretty wide latitude to the employer. All he has to do is to prove that a man who has done service, who comes back as many men came back from the last war, not disabled but having undergone the rigours of three or four years in a theatre of war, is not physically or mentally capable of performing work. Then again:

> In any proceedings for the violation of section 3 of this act, it shall be a defence for the employer to prove,—
>
> (e) that he was employed to take the place of an employee who had been previously accepted for service in his majesty's forces and that such employee had been reinstated in his employment.

The same problem will arise there. Many men who will join the service from now on are at present holding jobs of men who joined the service before. When they come back, this bill will have no application.

Mr. MITCHELL: That is provided for.

Mr. MACKENZIE (Vancouver Centre): All the points raised by the hon. member are embodied in regulations which have been in effect since last June. I have had no difficulty at all in meeting any of these cases in administration.

Mr. DOUGLAS (Weyburn): One would have to know how many cases the minister has been able to handle.

Mr. MACKENZIE (Vancouver Centre): All those that came to my attention.

Mr. DOUGLAS (Weyburn): What percentage were those in relation to the whole? One would have to know that before one could say that this is working successfully. One would have to know what percentage of returned men have been successfully placed in employment.

Mr. MACKENZIE (Vancouver Centre): I can give that information later on in this debate.

Mr. DOUGLAS (Weyburn): It seems to me that the second weakness is the fact that there is no machinery set up under which a man could take the necessary steps to secure reemployment in the event of his former employer not employing him voluntarily. Again, I am not a lawyer, but I imagine that since a fine is provided for, this would come under the criminal code and the case would have to be taken through the courts.

Mr. MARTIN: The department has placement officers.

Mr. DOUGLAS (Weyburn): That may be true, but what will be the *modus operandi*? Will a man have to start proceedings in the courts? Will he have tc go to the attorney-general of the province to have proceedings instituted, or will the placement officer institute proceedings in case reemployment is refused? When this bill comes into committee I think the minister should be able to set out clearly just what machinery will be available to these people. The average man has a dread of courts and lawyers.

Mr. MARTIN: Oh, no. You do not fear me, for instance.

Mr. DOUGLAS (Weyburn): No, because I have not got into trouble yet.

Mr. MARTIN: And you are just an average man.

Mr. SLAGHT: No honest man has a dread of the courts.

Mr. DOUGLAS (Weyburn): Machinery should be set up which would be automatically available for a man who is not reemployed by his former employer. He should be able to go to the placement officer—I suggest to the minister that more will have to be appointed because one in Regina for the province of Saskatchewan will mean a great deal of travelling which these people cannot afford—and lodge his complaint and then the placement officer would have the responsibility of taking the necessary legal proceedings to see that the man was rehired or justice given to him.

Mr. HANSON (York-Sunbury): To-day it is no one's duty.

Mr. DOUGLAS (Weyburn): As it is now, it is no one's business. The average man, not knowing what to do, will do nothing. He will simply grouch about it a bit and then put up with it. He will not know to whom to go, he will not know who is his champion, he will not know who is his advocate, so he will let the thing drop.

I was glad to hear the Minister of Pensions and National Health (Mr. Mackenzie) say that he proposes to make a statement on the appropriation bill. I hope we shall have an opportunity, not only to hear the minister but to discuss the government's scheme as a whole with reference to reconstruction, reestablishment and rehabilitation. This is a tremendous problem and it is going to tax the resources of this government. I am sorry the government has not seen fit to keep a standing committee in session during the years of the war. Such a committee would have been able to study the problem and to prepare and lay plans for the coming of peace.

As has been said, we are going to have, when peace comes, the greatest problem, apart

from the war itself, which has ever faced this country. By the end of this year there will be close to three-quarters of a million men in the fighting services. The number engaged in munitions factories and other war industries is probably close to three-quarters of a million. So we shall have anywhere from one and a quarter to one and a half million men thrown on the labour market following the "cease fire". That is going to create a problem which will tax all the capacities of this country, and we cannot afford to blunder along and wait until it is upon us.

There are a great many things to be done. Development of the St. Lawrence waterway has already been mentioned. This country from one end to the other is crying out for the building of houses; in practically every city there is a housing shortage. In this province of Ontario, according to a statement made the other day by the Minister of Munitions and Supply (Mr. Howe), there is a power shortage—this, in a country which has more potential hydro-electric power than any other nation in the world. That ought not to be. Plans should be laid for a tremendous electrification programme with the coming of peace.

Schemes should be worked out without delay to provide, I would say, three things:

First, to accept complete responsibility for these men from the time they are discharged.

Second, to accept responsibility for training those who want to be trained.

Third, to get these men placed as quickly as possible either in private industry or in some government projects.

Personally I believe it will be necessary, following the war, to institute a great programme of public works to absorb the employment slack until industry can be reorganized to take care of it. I trust that the government will not content itself with the odd little bits of legislation such as the bill now before us, but that it will give the house the entire scheme which it has in mind; that it will take some steps to set up a committee of this house before which various bodies in this country such as the Canadian Legion, representatives of labour, agriculture and industry can attend—a committee that will advance their plans and lay their schemes against the time when the problems of rehabilitation and reestablishment will be even more gigantic than they are to-day.

Mr. G. S. WHITE (Hastings-Peterborough): Mr. Speaker, I wish to make only a very few and general remarks on this bill.

As far as the principle of the bill is concerned, I am sure that all hon. members, irrespective of party, and whether or not they are returned soldiers, will approve what we are trying to do for the soldiers now in the armed forces, because I know that every hon. gentleman is only too anxious to help in their reestablishment and rehabilitation.

I concur in many of the remarks made by the hon. member for Weyburn (Mr. Douglas) as to both the advantages and the disadvantages of the proposed legislation. The one thing which I did not quite agree with, or did not quite understand, was what he said about being afraid of the lawyers—perhaps because he is a parson, or for some other unexplained reason.

The bill as presented is very broad in its application, but, as has already been pointed out, it will cover only a limited number of the men now serving in the armed forces. Large numbers of them have already been discharged, and because of the time limit in the bill they will be excluded. It also fails to provide for those who have enlisted just after leaving school or college, or who have left farms and have been employed in various industries which have been closed because of the war. Other categories are not provided for, including those who had no employment when they enlisted.

A feature of the bill which strikes me as most important is the various exemptions which it allows. While it is not clear what procedure is to be followed, no doubt it will be by way of hearings before a magistrate or a judge, which leaves these particular sections open to many and different interpretations. As was pointed out by the hon. member for Weyburn, the provisions are so broad that unless they are greatly restricted, either in the bill itself or under the regulations, many men who are only too anxious to do their bit will be deprived of the very benefits which the minister and the house are anxious to confer upon them.

The subject of rehabilitation has been raised in connection with that of reestablishment. I believe all hon. members will agree that the two must go hand in hand. While some steps may have been taken in the matter of rehabilitation, they fall far short of what we should do. At the present time a soldier receives, upon discharge, in addition to a small clothing allowance, one month's pay and allowances. If he is unmarried it amounts to about thirty-nine or forty dollars. Surely the very least that any soldier is entitled to in this connection is six months' pay. Hon. members can easily recall cases in the present war of soldiers who, upon return from overseas, have been discharged and received a small rehabilitation grant and have been unable within the one-month period to reestablish themselves. Many of those boys have had to

accept help, or charity, from the municipalities. No one desires to impose upon any discharged soldier the necessity of accepting charity. Many of the boys were discharged with a lower medical category than they had at the time they enlisted, and so were unable to resume their former occupation. I fear that many more will fall into that category, and under the relevant section of the bill they will be excluded from the benefits of the measure. To give one instance, a lawyer might argue that if a man when he left employment was in category A, to get his position back he would have to be in the same category. I believe there are few who will contend that it is possible for any man who serves in the armed forces and goes through a period of many months or perhaps some years of actual fighting, to be in category A when he returns to his civil occupation.

No doubt, after the war is over, extensive public works will be carried on by both the dominion and the various provincial governments. I wonder whether the minister has any plan whereby some commission or board will be set up on which the different provinces will be represented so that in the undertaking of all these various public works, on which large sums of money will be expended, some preference or special consideration will be given to soldiers who do not come within the benefits of the bill we are now considering.

I have a further suggestion to make to the minister. After the bill is passed, his department should prepare a small book or pamphlet giving an explanation of the measure, the various benefits it confers, and so on, and a copy of that should be given to each soldier at the time he obtains his discharge certificate.

I should like to make one further suggestion somewhat along the lines discussed by the hon. member for Weyburn. When the house goes into committee of the whole it would be well for the Minister of Labour (Mr. Mitchell) and the Minister of Pensions and National Health (Mr. Mackenzie) to give a general statement as to precisely what has been accomplished to date in the reestablishment of the many thousands of soldiers already discharged, how their present plans have worked out, and what further plans or schemes the government may have in mind to take care of the thousands of soldiers who will not come within the benefits of this measure. I am sure that if they would consider that suggestion and make such a statement, it would greatly assist in dealing with the bill in committee of the whole.

Mr. G. J. McILRAITH (Ottawa West): This bill is one of the measures being taken by the government for the rehabilitation of the service men now in our active forces and is something for which the government is to be commended. There are, however, two matters connected with the whole problem to which I desire to refer briefly. One has been mentioned this afternoon; it relates to the provisions made through the Department of Pensions and National Health: The rehabilitation grant of thirty days' pay and allowances for those having served not less than six months in the forces, which is to be found in P.C. 7521; the order granting free medical treatment to all those who served, for twelve months after discharge, which will be found in P.C. 2763; the establishment of a welfare division of the Department of Pensions and National Health; and the post-discharge reestablishment order, which will be found in P.C. 7633.

For some reason or another these provisions have received very little publicity, though they go much further than is generally thought. It would be useful if they could be brought before this house by the minister in such a way as to permit a full discussion of the whole subject matter of the rehabilitation of our men in the armed forces; and not only that, but in such a way as to place on the record a systematic indication of what steps have already been taken in that regard.

The second matter to which I desire to make very brief reference arises out of the remarks and the line of argument taken yesterday by my good friend the hon. member for Broadview (Mr. Church). As I followed his argument, he took the position that he was for protection; and by protection he seemed to refer to tariff protection as applied prior to the outbreak of this war. He argued that protection would have to be the backbone of this bill; that if protection was not the backbone of the bill, it would fail and would have nothing to support it. He went on to develop that argument by pointing out that we are now making agreements with other countries which will practically establish free trade and so injure businesses which might qualify under this measure. Then he went back to urge a return to the old days of protection. He went a step further in his argument and, referring to the Atlantic charter, declared that that document would interfere with and, indeed, kill the present bill. His reason for that was that the Atlantic charter proposes the abolition of tariffs on the south and north American continents. He referred specifically to two paragraphs of the Atlantic charter,

paragraphs 4 and 8. Perhaps it would be useful to put these two paragraphs on the record at this stage. Paragraph 4 reads:

They will endeavour, with due respect for their existing obligations, to further the enjoyment by all states, great or small, victor or vanquished, of access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity.

The next paragraph to which the hon. member referred, paragraph 8 reads:

They believe that all of the nations of the world, for realistic as well as spiritual reasons, must come to the abandonment of the use of force. Since no future peace can be maintained if land, sea or air armaments continue to be employed by nations which threaten, or may threaten, aggression outside of their frontiers, they believe, pending the establishment of a wider and permanent system of general security, that the disarmament of such nations is essential. They will likewise aid and encourage all other practicable measures which will lighten for peace-loving peoples the crushing burden of armaments.

Mr. Speaker, may I say very briefly, with respect to these paragraphs and the arguments of my hon. friend, that the old order of tariff protection as he has set it forth is gone. We probably cannot properly discuss that subject on the bill which is now before the house, but I cannot allow this occasion to pass without stating my belief that the old order is gone. Not only do I believe it is gone, but I should not like it to be thought that by silence either the house generally or I myself in particular agree with the hon. member for Broadview in his statements on this subject. If there is one thing which the history of the last ten years has shown above all others, it is that such views on protection and trade restriction are no longer tenable and have disappeared.

An hon. MEMBER: Forever.

Mr. McILRAITH: Yes, forever; and the young people will see that they do not make their appearance again. Not only that, but the men in the armed forces for whose benefit this particular bill is designed will make sure that the old order is gone. Indeed, it is the sure and certain knowledge that we are not returning to those pre-war ideas and conditions of the old order, and the vision of a new order, that will sustain us in the hours of difficulty ahead and inspire us to greater action.

Mr. F. D. SHAW (Red Deer): In my opinion one need not apologize for taking a little time when this important matter of reestablishment and rehabilitation is under consideration. I have listened with a good deal of interest to the various points of view which have been put forward by hon. members on both sides of the house. I wish in particular to congratulate the hon. member for Trinity (Mr. Roebuck) upon his fine discourse. I trust that he will bring pressure to bear upon those with whom he is associated on that side of the house so that his opinion may be felt and understood and appreciated by them.

Two points of view are expressed with regard to rehabilitation, or perhaps I should say with regard to the discussion of rehabilitation. On the one hand are those who believe that such matters should not be discussed at this time, for, as they say in effect, we may lose the war, and then all our efforts in that connection will have been in vain. I feel like the hon. member for Davenport (Mr. MacNicol) who stated yesterday that he is not a defeatist. None of us should allow ourselves to become defeatists; we must win this war. And in the light of that realization we must to-day prepare for the aftermath of the war.

On the other hand there are those who believe that now is the time to prepare for the days to follow the war. I am pleased to associate myself with that view. Many responsible persons in high office feel similarly. Reference has been made to the Atlantic charter. Surely that has been indicated to us as a step towards post-war reconstruction. We heard the Minister of Pensions and National Health (Mr. Mackenzie) say in effect that those who believe that conditions which prevailed prior to the outbreak of the war are going to be allowed to prevail after the war are going to be sadly disillusioned. We have also had the Prime Minister (Mr. Mackenzie King) refer to the new heaven and the new earth. Therefore, to-day many are thinking of post-war reconstruction. Our attention, however, should not be centred entirely upon measures to meet conditions likely to prevail after the war; some of our energy should be directed towards making post-war conditions what we want them to be. The measure now before us is, in principle, commendable, especially, I think, to those who view world matters from a purely orthodox point of view. Any attempt on the part of any government to reinstate in civil employment those who left civil employment to join the services is commendable. But in that connection I deeply regretted hearing the Minister of Labour (Mr. Mitchell) say yesterday that he intended to move that the latter portion of the preamble, which has to do with the reinstatement in civil employment of those who perform essential war work, be struck out. He did mention a further proposal to take care of that difficulty when it arises.

I believe we are all able to appreciate the fact that, prior to the passing of the order in council of last June, many of our young

men who left civil employment to join the services felt very uneasy because there was no guarantee of reinstatement in that employment. I am also satisfied that many occupying positions in civil life did not volunteer for service prior to that time because there was no guarantee that they would be given proper consideration in regard to reinstatement.

Mr. MACKENZIE KING: Would the hon. member allow me to say a word?

Mr. SHAW: Certainly.

Mr. MACKENZIE KING: I was going to ask my hon. friend if he would agree, provided the house is agreeable to his doing so, to adjourn the debate at the moment in order that the house may consider the amendments to the Plebiscite bill which have been made in the senate. They are amendments which, I believe, will meet with the approval of the house, and if that were done it would enable assent to be given at six o'clock.

Mr. SHAW: I am pleased to accede to the Prime Minister's request.

On motion of Mr. Shaw the debate was adjourned.

PLEBISCITE ACT

PROVISION FOR THE TAKING OF A VOTE ON ANY QUESTION SUBMITTED BY WAY OF PLEBISCITE —CONCURRENCE IN SENATE AMENDMENTS

Hon. N. A. McLARTY (Secretary of State) moved the second reading of and concurrence in amendments made by the senate to Bill No. 10, respecting the taking of a plebiscite in every electoral district in Canada and the taking of the votes at such plebiscite of Canadian service voters stationed within and without Canada.

He said: While there are a number of amendments, I believe they are of a nature and character that the other house thought would improve the draftsmanship of the bill. With this I believe there can be no quarrel whatever. It makes the bill perhaps more acceptable. There is no change whatever, in so far as I am aware, in principle.

Hon. R. B. HANSON (Leader of the Opposition): In the main I would say that the statement made by the Secretary of State is correct. I received these proposed amendments only a few moments ago; there are a great many and it is difficult to follow them all quickly.

The senate have changed the definitions; they have compressed them in a degree, and some appear to have been eliminated.

Mr. McLARTY: I think those that have been eliminated have been reinserted, elsewhere, if the hon. leader of the opposition would refer to amendments to section 8.

Mr. HANSON (York-Sunbury): Well, they have been taken out of their context. Some, perhaps not all, have been placed in other sections. Section 4, subsection 2, paragraph (b) has been changed in what, it seems, may be a substantial degree by inserting the provisions of section 17 or 18 of the national war services regulations. I have not those before me at the moment. The present bill, dealing with the question of disqualification, provides that persons disqualified from voting as ordinary voters shall include:

(b) every person who shall have applied pursuant to sections 18 or 19 of the national war services regulations, 1940 (recruits), or any amendment thereto for an order or direction of the board, as defined in the said regulations, postponing his military training, whether or not an order or direction shall have been granted, and unless and until it has been refused.

They propose a new paragraph (b) in which they substitute sections 17 or 18 in lieu of sections 18 or 19. I have not those sections before me, and my memory does not carry what they are. I think the minister should make that plain. Then section 5 has been redrafted, and at the moment I am unable to determine—

Mr. McLARTY: It has been redrafted in the same way.

Mr. HANSON (York-Sunbury): But as yet we do not know the effect of it. With respect to the other items, section 8 has been redrafted, and there have been superimposed upon that section certain subsections defining the duties of the chief electoral officer. I do not think there is anything objectionable in that, but what is the effect of the addition of section 17 of the war service regulations?

Mr. McLARTY: The purpose that was in mind in making this amendment to this section, which also applies to section 5 of the act, is this. In the original bill we described sections 18 and 19 under the consolidation which took place in 1941. The other house felt that it might be of advantage to go back beyond the consolidation and refer to the original orders in council that were passed in the first instance. There is no change whatever in the intention, but in the original orders they were sections 17 and 18, while in the consolidation they are sections 18 and 19.

Mr. HANSON (York-Sunbury): Should we not adhere to what is the law to-day under the regulations?

Mr. McLARTY: I think my hon. friend will agree that in the matter of statute law, where there is a consolidation that becomes the law. Where orders in council are consolidated, some question might arise, and it was merely for greater certainty that the other house suggested that we refer not only to the consolidated order in council but to the original orders in council as well. In other words, this merely makes it more certain, but it does not in any way affect the operation of the bill when it becomes an act.

Mr. MacINNIS: This is a most unsatisfactory method of dealing with these amendments. They may be quite minor, but they are amendments to a bill which we discussed for several days in this house. Instead of the leader of the opposition reading something that no one can hear or understand, I would suggest that, since we have the original bill before us, the Secretary of State should take each amendment and read it, so that we may understand its effect on the section or clause to which it belongs. Then we shall be in a position either to approve or disapprove it; but it is unfair to ask us to approve amendments that we have not seen and about which we consequently know nothing.

Mr. FAIR: I should like very much to add my words to those of the hon. member who has just taken his seat. After all, we are the elected representatives of the people, and I do not think we should approve changes that have been made by others, who are not elected representatives, without knowing exactly what we are doing.

Mr. McLARTY: I have no objection to that. In section 2, certain subsections are struck out; that is, subsections (a), "Canadian service voter"; (b) "chief plebiscite officer," and (c) "during the plebiscite." Inserted instead are the following:

(a) "Canadian service voter" means every person qualified to vote by virtue of the provisions of section 6 of this act, and "voter" or "ordinary voter" means any person qualified to vote in any electoral district other than a Canadian service voter.

The effect of that is to combine the definitions of "Canadian service voter" in (a) and "ordinary voter" in (h). In connection with (b), where "chief plebiscite officer" is stricken out of the definition clause, it is inserted later as a subclause of section 8. Paragraph (c) "during the plebiscite" was stricken out for the reason that in no particular place in the act is that phrase specifically referred to. "Electoral district" is again defined in section 8 as amended.

[Mr. R. B. Hanson.]

I need not take the time of the house to read the amendment in regard to the re-lettering of the sections consequent on these changes; that follows naturally.

Mr. DOUGLAS (Weyburn): May I ask why the definition of "Canadian service voter" in paragraph (a) is struck out?

Mr. McLARTY: It is not stricken out; the "Canadian service voter" and the "ordinary voter" are put in one and the same definition, in one paragraph. It is not deleted at all.

Then there are some minor amendments, purely matters of wording. For instance, subsection 5 of section 3 of the original act provides that the proclamation shall be published forthwith, and so on. The amendment provides that it shall be published forthwith in a special copy of the *Gazette* and in two succeeding regular copies. The objection is purely a matter of wording. It is suggested that you cannot publish it forthwith both in a special copy and in other copies which will not be published until a week or two later. Consequently that amendment is made, and it is perfectly proper and in order.

Then there is a very minor amendment in subsection 4. The words "as defined in this act" in line 24 are deleted. That also is purely a matter of wording and does not affect the meaning or intent.

Mr. HANSON (York-Sunbury): Of course that makes for certainty.

Mr. McLARTY: Exactly.

Mr. HANSON (York-Sunbury): The elimination of these words removes the certainty, to a degree.

Mr. McLARTY: I have already dealt with the amendment to paragraph (b), subsection 2 of section 4, in answer to the leader of the opposition.

Mr. STIRLING: May I ask a question in that regard, to see that I have the minister's interpretation aright? I understand that sections 17 and 18 of the war service regulations are identical with sections 18 and 19 of these regulations in their consolidated form?

Mr. McLARTY: That, I believe, is correct, and the same amendment applies to section 5 of the act. In section 6, at line 17, the words "taken under this act" are deleted for the same reason that applied in the preceding paragraphs. Then in section 8 these words are added, taken from the definition section and put into the substantive section:

The chief electoral officer under the Dominion Elections Act, 1938, shall be the chief plebiscite officer for the purposes of this act, and the returning officers appointed under the said act shall be returning officers for the purposes of this act.

Both these definitions were previously included in section 2. Then another subsection is added dealing with the administrative district of Yellowknife. It was thought that a more precise definition should be given of this administrative district. I do not think it will be necessary to read the section, because it is purely for purposes of clarity.

Mr. HAZEN: Is it long?

Mr. McLARTY: No; I shall be glad to read it. It is as follows:

(2) For the purposes of taking the plebiscite only, the governor in council may appoint a returning officer for the Yellowknife administrative district, who shall have the powers and perform the duties of a returning officer under the Dominion Elections Act, 1938.

I believe the suggestion is that it gives a more positive right for the appointment of an electoral officer than is found in the defining section of the bill, where the Yellowknife electoral district is described.

Mr. HANSON (York-Sunbury): That seems to be an improvement.

Mr. McLARTY: Yes, I agree with my hon. friend.

Then, subsection 3 of section 8 in the bill, as returned from the other house, is the same, with the exception of some minor amendments, as the original section 8 in the bill.

Then section 9 is amended by striking out the words "for the purposes of this act" and the further words "for the effectual taking of the plebiscite" and inserting the words "for the purposes of this act." I believe that somewhat abbreviates this section, and no exception can be taken.

There appear to be no amendments to paragraphs 2 and 3 of section 9. There is however the addition of the following as subsection 4:

(4) The governor in council may prescribe the penalties that may be imposed for violations of regulations made under this act, and may also prescribe whether such penalties shall be imposed upon summary conviction or upon indictment.

The only purpose of that is to make more clear and definite any power to enact the penalties provided in subsection 2 of section 9.

I believe that substantially completes the list of the amendments.

Mr. HAZEN: May I refer to the changes made in section 2 (a) and (h). Those are changes made with respect to "Canadian service voter" and "voter." I understand those are lumped together.

Mr. McLARTY: Yes.

Mr. HAZEN: Would that in any way affect a Canadian service voter on leave?

Mr. McLARTY: No; I believe I can say definitely that it will not. It is merely a consolidation.

Mr. HANSON (York-Sunbury): May I refer to the question of penalty as set out in the new subsection, namely subsection 4 of section 9? The difference is that at the moment the penalties appear in the regulations; the change is that it is now left to the governor in council to prescribe penalties which may be imposed for violation of the regulations made under the act. The governor in council may also prescribe whether such penalties shall be imposed upon summary conviction or upon indictment.

I suggest to the minister that that is an entirely new principle, and one just as objectionable as the one to which I referred before. This gives the governor in council power to impose penalties. I do not recall—and I speak from memory; possibly it is not very good memory—that the governor in council was ever empowered to impose or create penalties. Can the Prime Minister remember a case of that kind?

Mr. MACKENZIE KING: I believe there have been cases.

Mr. HANSON (York-Sunbury): I should like to hear of one; I do not think one can be found. This is a bad principle. It may not work out badly, but in principle it is indefensible.

Mr. McLARTY: I would remind my hon. friend that the new subsection is subject to subsection 2 in the same section, which states that any regulations made must conform as nearly as possible to the provisions of the Dominion Elections Act of 1938.

Mr. HANSON (York-Sunbury): But that does not answer the objection at all.

Mr. BLACK (Yukon): With reference to the amendment allowing the governor in council to prescribe penalties, to-night's *Evening Citizen* says this:

A new section was inserted giving the governor in council power to prescribe penalties for violations of regulations made under the act. It placed, however, the maximum penalty at a fine of $2,000, or two years' imprisonment, or both fine and imprisonment. The other changes were of an interpretive and clarifying nature, and in no way affect the principle of the legislation.

Do the amendments provide those penalties?

Mr. McLARTY: The point to which my hon. friend refers is something which might have received consideration in the committee of the other house. However, no amendment

fixing the quantum of the penalty has been inserted in the amendments forwarded to this house.

Mr. HANSON (York-Sunbury): It is to be done after the bill becomes law.

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

THE ROYAL ASSENT

A message was delivered by Mr. C. H. Larose, Assistant Gentleman Usher of the Black Rod, as follows:

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

Accordingly, the house went up to the Senate.

And having returned.

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

An act respecting the taking of a plebiscite in every electoral district in Canada and the taking of the votes at such plebiscite of Canadian service voters stationed within and without Canada.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

CANADIAN ARMED FORCES

REINSTATEMENT IN CIVIL EMPLOYMENT OF PERSONS WHO ENLIST IN HIS MAJESTY'S FORCES

The house resumed consideration of the motion of Mr. Mitchell for the second reading of Bill No. 5, to provide for the reinstatement in civil employment of individuals who enlist for service in his majesty's forces or who perform essential war employment.

Mr. SHAW: Just before the debate was adjourned at 5.30 p.m. I had offered the observation that this civil reestablishment measure had served thus far to allay some of the fears which were felt by many of our boys who enlisted in the earlier stages of the war. I also stated that many of those who feared to join the services because no guarantee had been given regarding their reinstatement in civil employment had now seen fit to join one or other of the different branches of the service. While this measure, I am sure, undoubtedly serves to allay these fears, or many of them, I personally am not equally satisfied that it is going to meet the conditions in a manner possibly anticipated by those who drafted it. I realize that a great national problem is going to face the people and the government of Canada when the period of demobilization arrives. I realize too, as stated in the original order in council, that a measure of this kind may to a certain degree be deemed expedient for the security, defence, peace, order and welfare of Canada. But I think that possibly altogether too much emphasis has been placed upon the measure in that regard.

Personally I fail to see how a single measure designed to meet only a fractional part of the difficulties which are going to confront us can have such beneficial effects with regard to the security of the state, the defence of the state, the peace of the state and so on. I am sure that such a measure will assist to a degree during that wild scramble for a precarious existence which I am satisfied many are going to find themselves faced with at demobilization. In my opinion the transitional period following cessation of hostilities is going to be a dreadful one. I say that because I feel that the government of the day has not learned the full lesson which should have been learned as a consequence of the experiences which we had in this country following the cessation of hostilities after the last great war.

I think the measure itself anticipates a difficult situation in connection with post war unemployment, but I do not think it is going to alleviate unemployment to any great degree, because, as has already been stated here to-day, for every man reestablished under this scheme, the one who took his place at the time of his enlistment is going to become unemployed. Even if this measure has ever so many favourable features, the administration of it, the interpretation placed upon it, will be one of the most important aspects of its treatment. The permanent success of any arrangement of this kind will depend directly upon the character of the personnel who administer it. I have in mind boards or commissions or individuals assigned to offices, witih duties attached, having to do with the administration of the measure.

I suggest that all too frequently we have witnessed the spectacle of a well-designed piece of legislation, possibly lofty in purpose, being placed in the hands of what we are sometimes wont to call a high-powered, highly paid board, whose attitude towards the people in whose interests they are supposed to hold

office, is a scarcely veiled antagonism, tempered only by fear of the consequences which may come as a result of their actions. I have already said that we must give consideration to more than a measure which is designed to meet certain conditions that may exist. I believe that we should pay some attention to those conditions which we may wish to be the type of conditions which we shall want to see prevail at that time.

I do not believe that a series of measures, which I may call patches, are going to meet satisfactorily the conditions which are bound to prevail after the war. I feel that possibly our attention is directed toward, let us say, palliatives or makeshift measures to meet a situation only for the moment. We must go deeper. We should take upon ourselves the responsibility and the duty of seeing to it that when the period of demobilization comes, we shall shift from a war-time to a peace-time basis. We must concentrate, not upon the shutting down of industry but upon the expansion of industry, so that in place of the production of machines of war for destructive purposes we shall revert to the production of those things required by the civilians of the country—something which we failed to do before the outbreak of the war, but something which we must not fail to do after the war.

Someone stated earlier to-day that no satisfactory provision is being made to take care of many of those who found themselves unemployed at the time the war broke out. Last night the hon. member for Davenport (Mr. MacNicol) stated that many unemployed men joined the services in 1939 and during the months that followed. He said something to this effect: "I do not want you to believe that I think they joined because they were out of work." Well, we know all too well—and we are not casting any reflection upon their patriotism when we say this—that many of them did join because of the fact that they were unemployed.

In my humble judgment a very heavy responsibility rests upon us all. I believe that even though we did not see fit prior to 1939 to give to these young men of ours the consideration which was their right, a consideration which we, living in a vast country with such untold wealth, were capable of giving them, it is not a moment too late for us to realize that the very least we can do for them is to say to them that when this war is over they shall not have to return to those conditions of degradation in which they found themselves before the war.

I do not want to leave the impression that I am not aware and appreciative of the patriotism of our boys serving in the army, the air force or the navy; but when they come to me and say, "We are the heroes of to-day, but what were we yesterday and what are we going to be to-morrow?" it gives one cause for thought. Prior to 1939 we used the excuse day in and day out, week in and week out, that for various reasons which we enumerated, the affairs of this country could not possibly be adjusted to absorb the unemployed and to give at least a square deal to all. Those men in uniform now recall that when war broke out there was no question of the inability of the government to give them employment. The argument advanced at that time that we could not possibly finance any reestablishment programme simply will not hold when this war is over. Having seen millions and even billions go for destruction, they are certainly going to demand that, not perhaps equal amounts of money, but large amounts at any rate, be made available for construction.

This is going to require that we have a plan, an over-all plan, of reconstruction and re-establishment. Even though it is intimated by the Minister of Pensions and National Health (Mr. Mackenzie) that the government have enacted about six orders in council dealing with various classes of people who may be faced with difficulties, I do not consider that this is going to solve the over-all problem with which we shall be confronted after the war. Each of these proposals may have its place in a broad, all-embracing plan. There may be such a plan; it may be that I am criticizing too soon, but we can only speak on the basis of the information we have.

When I talk of a plan I have in mind that we have a land, shall I say slightly in excess of three million square miles in area, with a population of less than twelve million people, with broad expanses of countryside yet unsettled and vast potential resources. In view of that, surely it is no exaggeration to say that there is no logical excuse for a government claiming inability to set up a plan for properly taking care of our people.

If the government cannot do it, then I shall have to ask why they cannot? Is there some force over the government, some sinister influence behind the government? If so, I would say it is the duty of the government to indicate who and what those sinister forces are.

I fear the situation when this war is over. On the one hand we are going to have vastly expanded industrial equipment, a greater ability to produce and satisfy the needs of our people than we had before the war, and on the other, a colossal financial debt resting upon Canada. I fear that the government, realizing the physical ability of the country to support a plan, will be told by the forces on the other side of the ledger that inasmuch

as we have a huge financial debt, it is impossible for the government to use the resources of the country to satisfy the needs of our returned soldiers and others. If any government, regardless of its complexion, accepts a statement of that kind and fails to do the right thing, it will be absolute tragedy. It is a fact proven by history many times over that when the government of a country contemplates any major scheme of action it must procure permission somewhere. I have seen, in my short experience in this world, that statesmen are oftentimes dictated to; politicians are oftentimes dictated to; even journalists and jurists are dictated to, with the result that so frequently we have members of parliament saying, "I feel so frustrated; I came here with an idea that we might be able to do something really worth while." That frustration must be traceable to something; we must undertake to ferret out the cause of it.

Some hon. members may have an inkling of what I am leading up to. I have in mind the words of the Right Hon. David Lloyd George, Prime Minister of Great Britain during the last war, when, speaking of a certain phase of post-war reconstruction, he made this astonishing and astounding statement. Before I read it, let me say that I do not believe there is anyone in this house who would question the source of the statement, or who would be so bold as to question the fact stated. He said:

> The international bankers swept statesmen, politicians, journalists and jurists all on one side, and issued their orders with the imperiousness of absolute monarchs who know that there is no appeal against their ruthless decrees.

I am satisfied that the Right Hon. David Lloyd George put his hand directly on the cause of the frustration which many governments experience when they undertake to solve some of the major problems with which they are faced. I say that the only solution of our post-war problems lies in our determination actually to give this dominion economic democracy. It will be quite an experience for the people of this country, and I believe it will be quite an experience for the country itself, because I am one of those who subscribe to the idea that while we have had our political democracy, economic democracy has yet to be experienced. It is utterly ridiculous for the government of Canada, or the politicians of Canada, and the thinkers of Canada, to allow themselves to be held in serfdom to the exigencies of any financial policy which may be dictated to them, because stooping to a condition of serfdom is not something very much to their credit or something that should be looked upon with any feeling other than one of disgust.

[Mr. Shaw.]

If unemployment, with all its associated evils is to be banished from this fair land of ours then I say that the government will have to face the issue. The government will not succeed in that endeavour by bringing down innumerable orders in council, many of which are quite irrelevant. The government will not succeed in properly establishing our boys who return from the war if they do not face facts. Therefore I say, let us once and for all wake up to the fact that the chaotic condition with which we were confronted in this country between 1929 and 1939, and many of the difficulties with which we are confronted at the present time, can be traced directly to a financial system which in my estimation is neither democratic, Christian nor humane. I realize that this is rather a strong charge. I realize that to say that a financial system is not democratic is a serious statement to make. To say that it is not Christian is also serious, and to say that it is not humane is equally so. But I have yet to hear any member of this house, particularly any hon. member who associates himself with those on the other side of the house, stand on a public platform or rise in his place here and endeavour to prove that there is anything democratic, Christian or humane about our financial system.

In order to substantiate one or two of the remarks I have made, let us go back to that period from 1929 to 1939. I believe it is directly associated with the problem now before us, because surely we learned something from that period which we can utilize in meeting the conditions which will prevail later on. During those ten years there was nothing wrong with the productive ability or capacity of this dominion or of its people. At that time I had an opportunity to see a goodly part of this country, including agricultural, mining and various other areas. For the life of me I could not see anything wrong with our ability to produce. On the other hand I saw something seriously wrong with our right to consume. At that time we had a vast abundance of real wealth on every hand, yet we saw the national debt of this country increase by leaps and bounds until it reached the staggering net total of something in excess of three billion dollars. The financial institutions of this country did not worry very much about those twenty cents a day relief camps. They did not worry very much about the soup-kitchens or our young men riding the rods, to use the common western expression. They did not seem to care very much about the loss of homes, farms and businesses.

Let us take the present period of war, and I should like to make just one observation.

The Canadian people are making and are willing to make a great effort on behalf of freedom. They are offering their lives; they are offering many of the conveniences of pre-war life. They are not complaining. They see lives lost; they see tanks, guns, shells, ships and planes destroyed, all of which are entered on their side of the ledger as debits. On the other hand we see certain financial institutions in this country, privately controlled, entering on their side of the ledger huge profits, with interest attached. In other words, our loss is their gain, so it would appear that we are working at cross-purposes.

In conclusion, let me voice the opinion that if we are to reestablish our men; if we are to give our people that new heaven and new earth; if we are to astonish those people who now believe we may have chaotic conditions after the war, let us say once and for all that we will see that the financial system of this country, which to-day is privately owned and controlled, which to-day has a life-and-death hold over this country, is made an instrument of the people, through their government. Then, Mr. Speaker, and only then, I say, are we going to be able to deal with post-war problems in a realistic and effective manner.

Mr. A. G. SLAGHT (Parry Sound): Mr. Speaker, I had not intended to address the house on the subject of this bill, and would not have done so but for two addresses that have been delivered here to-day. The first was by my good friend the hon. member for Trinity (Mr. Roebuck), who, I am sorry to say, is not in his seat at the moment. The hon. gentleman occupied a very important position as attorney-general of Ontario, and in that position he had a record in the protection of the interests of the working men and of the soldiers of which he may well be proud. It is with some regret that I differ with him because of his treatment of this bill. With much that he said looking to the future I agree, and it is with regret that I differ with him, in the strongest possible manner, when he describes the bill introduced by our new Minister of Labour (Mr. Mitchell), the first piece of legislation introduced by him, if my memory serves me correctly, as a mere gesture—just a gesture.

Some hon. MEMBERS: Hear, hear.

Mr. SLAGHT: I hear some very mild and modest "hear, hear's" from hon. gentlemen to my right. I shall be treating with one of their heroes in just a moment.

Mr. HANSON (York-Sunbury): The hon. gentlemen angularly opposite to your right.

Mr. SLAGHT: I mean the two groups, for whose leaders I have great respect.

Mr. MacINNIS: Why not the rank and file?

Mr. SLAGHT: I said across, but to my right. Nobody is in doubt as to whom I am directing these observations.

I say to the hon. member for Trinity that the great development of his speech was a brilliant description of his ambition as to the future legislation and the future course which should be adopted in this country. With that development in his speech I am in full accord. But let me say to him that to use a phrase of that kind, namely, that the bill is a mere gesture, when it is introduced by our Minister of Labour, may, while not intended by my hon. friend so to do, work evil in the country. That will have an effect, more than the statements to which I shall refer in a moment or two, and which have come from across the floor.

Is it a mere gesture that a bill which, if it becomes law, requires employers to reinstate employees under conditions not less favourable to them than those which would have been applicable had they not enlisted, should be placed on the statute books? Is that a mere gesture? Is it a cause of complaint, voiced in a mild manner, that there have been selected the members of the armed forces as those of primary concern? Is it a cause of complaint that they shall first be reinstated in positions where they can earn their living? Is it a mere gesture that sections 5 and 6 of the bill would prevent an employer without reasonable cause from terminating the employment of his employee? Is it a mere gesture that under section 6 an employer may not terminate employment, in expectancy that the employee might enlist? Those are not mere gestures; they are definite statutory provisions.

Mr. JOHNSTON (Bow River): They turn out to be, though.

Mr. SLAGHT: A doubting Thomas over there says they may turn out to be.

Mr. JOHNSTON (Bow River): I am judging from your past action, from the way you treated the soldiers in the last war.

Mr. SLAGHT: You are?

Mr. JOHNSTON (Bow River): Yes.

Mr. SLAGHT: You are not judging from my past action.

Mr. JOHNSTON (Bow River): I am judging from the past action of the government.

Mr. SLAGHT: Are you? Well, if it is your philosophy of life that you must attack a bill which contains a plain provision, in language which anybody in high school could understand, simply because you think it is brought in by a government whose past action you do not approve—if that is your philosophy of life, then let me refer you to some other country, a European country, where you would belong.

Mr. JOHNSTON (Bow River): If this country were going to be under Liberal government all the time, I might do that.

Mr. REID: If there is going to be a free-for-all, let us have it.

Mr. SLAGHT: May I request my hon. friend to leave the hon. member opposite to me.

I am not here to make a provocative speech. I want to lead the way for the hon. member for Trinity and the hon. member for Weyburn (Mr. Douglas).

Mr. REID: You are doing fine.

Mr. SLAGHT: Now, it comes to this: The hon. member for Weyburn used these expressions, if I heard him correctly: "The bill is a mere improvisation"; "the bill is an empty gesture." Is he reassuring the soldiers in the armed forces when he tells parliament and the country that this bill is a mere empty gesture. Is that the way to promote recruiting?

Mr. JACKMAN: Is that what it is called?

Mr. SLAGHT: We are developing a number of humorists in the house! I regard the bill introduced by the Minister of Labour, whose shoe-strings the attacking member over there is not fit to tie, as one which ought to stand, and ought to receive the serious consideration of the house.

Mr. HANSON (York-Sunbury): That is a little too strong.

Mr. SLAGHT: The hon. member for Weyburn says it does not matter whether the legion or labour approves the bill. When did he appoint himself to indict the approval of the legion in this country? Is he, like an absent leader, a self-appointed gentleman who will say to the legion of this country that they do not understand what they are doing when they approve the bill—or when labour approves it?

I only wish my hon. friend and other hon. members could understand that great harm can be done by that sort of loose attack. Of course it is loose attack. I find from the parliamentary guide that he has been here seven years. He came in 1935, when I did. He has many admirable qualities, and makes some excellent suggestions, with one of which the other day I agreed. But let me say this—

Mr. DOUGLAS (Weyburn): That does not make them excellent—because you agree with them.

Mr. SLAGHT: Oh, what wit! What magnificent satire! Mark Twain must bow his head to my hon. friend!

We are not here to listen to cheap witticisms. I think my hon. friend has occupied his seat pretty regularly for seven years. When a bill comes along which in sections 3, 5 and 6—

Mr. DOUGLAS (Weyburn): And 4.

Mr. SLAGHT: Yes, and 4—when a bill comes along which in sections 3, 4, 5 and 6 gives splendid recognition of the men who have worked, and the men who have been in the armed forces, he wants the country to understand that it is an empty gesture. Where was he for five years, up until the time war broke out? He could have introduced a bill of this kind.

Mr. MacINNIS: Oh, no, he couldn't.

Mr. SLAGHT: Oh, yes, he could; make no mistake about that. It is not a money bill.

Mr. MacINNIS: Of course it is.

Mr. SLAGHT: He could have introduced a bill of this kind up until war broke out.

Mr. MACKENZIE (Vancouver Centre): Absolutely.

Mr. SLAGHT: He could have introduced a resolution providing care for those men, but he was as silent as the grave. Yet when the new minister, of whom he ought to be proud, introduces his first bill in the House of Commons, my hon. friend thinks it a smart thing to describe it as an empty gesture. Please do not let us try to get along in this way. I give my hon. friend great credit for desiring to be helpful. I paid a tribute to all three groups the other day and I repeat it. I pay a tribute to my hon. friend's leader. He would not have made the speech my hon. friend made this afternoon. I rise only to say that if we are to get along, I do not believe that disruptive and provocative speeches such as we have listened to from the hon. member for Weyburn will reassure either the workingmen of this country or the soldiers in our armed forces.

Mr. J. A. ROSS (Souris): Mr. Speaker, I shall be very brief, but I want to make a few remarks on this bill, notwithstanding what the previous speaker has said. This bill is to provide for the reinstatement in civil life of individuals who enlist for service in his

majesty's forces. In my opinion it is simply a gesture, but I think it is a gesture in the right direction.

Mr. SLAGHT: You are getting into bad company.

Mr. ROSS (Souris): I want to get into company that will get us along farther than we have so far with this bill. I agree with the bill in principle, but in my opinion it does not go far enough to protect the ex-service person or the employee. We must remember that those who join the armed forces to-day give up a great deal of their natural freedom. They must adjust themselves to a different mode of life under army discipline. They are away from their families and must do without many of the things which we enjoy. In many instances they do this for a greatly decreased remuneration. These people offer their all in defence of the worthwhile things of this life that we enjoy and, therefore, they are entitled to every consideration by the government of the day.

I think it has been recognized by authorities that those who served in the actual theatre of war from 1914 to 1918 have had their life span decreased on the average by at least ten years. Many of those people were not physically or probably mentally fit in some instances for reemployment, and they are entitled to consideration by the state. There has been some discussion about the statement made this afternoon by the hon. member for Weyburn. I feel, and I think the legion itself feels, that the manner in which some of those men have been discharged from the army of to-day is nothing short of disgraceful. To discharge those people with one month's pay and a small clothing allowance, to put them and their families on municipal relief, is not good enough for a nation such as this.

Ex-service people who have rendered a special national service should not have to become a municipal charge. As I have said already, those people have offered their all in defence of this country and they should not become a public charge. They should be taken care of by the state. Like the hon. member for Portage la Prairie (Mr. Leader) who spoke the other day, I am of opinion that those men should not give up their uniforms until they are assured of reemployment or some satisfactory future security. I am sure that none of us looks forward with any degree of enjoyment to the readjustment period, but during this period the government should undertake the development of our natural resources in a big way. Certain public works should be undertaken, and financial assistance should be given to municipalities for the construction, development or improvement of worth-while community projects. The extension of power sites, increased electrification, the construction of public highways and buildings, water conservation projects, reforestation projects, the construction of recreational grounds and other matters should be carried out. These undertakings would be quite beneficial and bring about a betterment in the lives of these communities. These people must be taken care of in connection with employment.

I think we all realize that great social problems will have to be faced in the future by the government and the state. Reference has been made to certain sections of this bill. Section 4 places the onus upon the employee of instituting action if his employer does not want to take him back. Many employees will not take this action because they will fear that if they do so they will prejudice their chances of future employment somewhere else. In my opinion tribunals should be set up to handle these cases. Section 5 deals with prosecutions, and here again the onus is placed upon the employee. I think these sections are improper. The onus should not be placed upon the man who is trying to regain his former position.

In my opinion a committee of this house should be set up to study the matter of the rehabilitation of ex-service men and women in the broadest possible manner. That should be done immediately. Representatives of agriculture, industry, and other callings in Canada could give information to the committee.

Mr. DANIEL McIVOR (Fort William): Mr. Speaker, I must say that when I looked at this bill I was pleased indeed. First, I should like to congratulate the Minister of Labour (Mr. Mitchell) upon assuming his present position. I think he is in the right place. I remember the night when news was coming into this house from the recent by-elections, and I felt quite happy over the results for several reasons. First, I knew that the Minister of Labour understands labour, which is an absolutely essential characteristic of any Minister of Labour who hopes to do his work properly. I speak from experience. When we were in difficulty at the head of the lakes during the years of the depression, the late Hon. Norman Rogers did his best to formulate a youth training scheme. His assistant, the present Minister of Labour, was sent to the head of the lakes, and from the way in which he conducted himself at that time I knew that he would be kind and decent, that he had some backbone which a cabinet minister certainly needs when someone tries to put over on him something which is not on the square.

Because the minister had a hand in the setting up of the youth training scheme, I am glad he is where he is to-day. This legislation is a forerunner of what we may expect from the Minister of Labour. He is getting ready for the days that lie ahead. As the distinguished lawyer who has just spoken said, you know the law was before the province, therefore the law was before the ministers. This minister certainly has the vision to see ahead and get ready for it. I should like to quote a man for whom I have always had the most profound respect. He is a great man and a great parliamentarian. Lord Bennett, of the House of Lords, speaking on February 16 said:

> Unless we are prepared for what comes after the war we might as well not win it, because a war won without ability to carry on afterwards is equivalent to a war lost.

Whether this is the legislation which will be needed after the war is a question, because we are living in an age of change. I suppose that ideas which are expressed here this evening may be outmoded to some extent even before we read them in the paper to-morrow morning. Not so long ago most of us were unwilling to accept anything "red": we did not think very much of Russia. Yet to-day we take off our hats to the generalissimo and the generals of the Russian army and the men who follow their leadership; because of them we feel a little more secure. If I were a prophet I might be inclined to predict, looking a little bit ahead, though not perhaps very far, that when the Russians have defeated Germany, Germany will turn round and help us to overcome the yellow peril. To some that may seem imaginative, but I do not think it is improbable.

One important feature of this bill is that it provides for the future, and in that connection I wish to make a suggestion which may have been touched upon before; I do not know. The provisions of this bill should take in all soldiers, no matter whether they were or were not employed before enlistment. I know that at the beginning of the war many men in my district who had no jobs joined the 4th Field Ambulance. When they return, they will need to eat, so they will need to work; their wives will require the wherewithal to rear their families properly. I know that some men are good and some are not; some are efficient and some are not. But all need to live. Any soldier or any other man who is willing to give his best for his country should be made secure. I remember as a boy reading that old parable which tells us that a man who worked only one hour got paid for the whole day. I suppose the modern interpretation of that parable is that the Master Workman thought that that man and his wife and family needed to eat, therefore he required as much pay as the other men. I commend to the minister the suggestion that this legislation shall include all soldiers. We shall have something to say later on about legislation which will take in all unemployed who are willing to work. I know that the cost will be very heavy. After all, however, what good is money, whether of the "sound" variety or any other kind, if it does not help our fellow men to do their best work?

Another piece of advice I would offer the minister—it has been mentioned before—is that he surround himself with men who not only understand industry but understand labour. Have experts who are independent-thinking and have received their education in the school of hard knocks. I would not engage academic experts only, but practical men who know.

Another suggestion from me which the minister may pardon, for it comes from experience, is that he should have in his department one or two clergymen. They are the finest type of men in the country, bar none. They are men who have gone into the valley of poverty and helped their fellow citizens in difficulty and distress. Many of our finest citizens, like the hon. member for Davenport (Mr. MacNicol), have been born in humble surroundings, educated in the school of common sense and trained in the Christian faith, so that their outlook is fine.

I know that this will be a terrific job for the minister and those associated with him, but I do not believe there is one hon. member, no matter to what group he belongs, who will refuse to hold up his hand and strengthen him.

We speak of a new order. But a new order which will not provide employment for every last human being is not, to my mind, worth the paper it is written on.

The hon. member for Davenport has said that industry is willing to cooperate. I have found that to be true in a great many instances, although not in all. Every industrialist is not like the Minister of Munitions and Supply (Mr. Howe), who looks after his men when they are unemployed.

I hope the Minister of Labour will surround himself with the right kind of experts, and with industrialists who have the will to work and a love of humanity which will help them to rise to their highest and best.

It should not be overlooked that a scheme of this kind will certainly aid recruiting. The man who is about to sign up will know that the government is providing legislation for the security of himself and his family. Whatever

may happen to him, those who depend upon him will be secure. The man who gives his best deserves that the best shall be done for him.

I commend the minister for this legislation. I judge from what I know of him that no matter what the criticisms may be, or what bumps he may get, he is a man who can "take it" and go along and do better in the future; and I wish him the best kind of success, with the blessing of the Master Workman.

Mr. ANGUS MacINNIS (Vancouver East): I want to say a few words on this bill, although nothing in the way of specific criticism. That does not mean I am at all satisfied that it is what is required at the present time.

The purpose of the bill is the specific one of reinstating in their former employment persons who have served in the armed forces. But, as pointed out in the preamble of the bill, the fundamental reason for introducing it is that it may be part of a scheme to deal with some of the national problems which will confront us when this war is over.

The nature of our problem has been stated or intimated by a number of speakers, and I am not going to spend any great amount of time on it.

I would, however, point out that although the problem will be somewhat like the one we had to face after the last war, and more particularly something like the problem we had to deal with between the years 1929 and 1939, it will in some respects be a different problem, because the psychology of many of the people concerned will be altogether different from anything that has confronted us up to now. Members of this house who have had an opportunity of travelling across the country, from one end to the other, during the last ten years no doubt have some inkling of what that problem will be.

From 1930 to 1939, we had a great many unemployed in the country—I do not think there is anyone in the house more conversant with this than the Minister of Labour (Mr. Mitchell)—and most of them were young men who were living in the most deplorable conditions. As one hon. member has already mentioned, when those young men travelled from one place to another they travelled in boxcars, or some other kind of freight cars. We could see them by hundreds, in dirt and squalor, as we travelled in the ordinary mode of conveyance. But those of us who are travelling across the country to-day see these same young men under altogether different circumstances. They are well dressed and well fed, and when they travel from one place to another they do not ride in boxcars but in the day coaches, in the standard cars, in tourist cars; and they eat in the dining car like other civilized people. Let me tell the members of this house that these men are not going back to boxcars when the war is over. That is what we have to face. These men to-day are well fed, well clothed and well housed, and they are living dangerously; and I say they will not be satisfied with boxcars, unemployment camps and soup-kitchens after this war is over.

An hon. MEMBER: Why should they?

Mr. MacINNIS: Yes, why should they? That is what the members of this house have to keep in mind in dealing with this matter. If this bill is merely an item in a whole scheme for the building of a new social order after the war is over, then it is all right in its time and place and I have no criticism to offer.

Prior to the commencement of the war, when we were suggesting better treatment for the unemployed, what did we hear? There was no money. Since the war began, I have heard members blaming this little group because the country was not better prepared for the war when it came. They said that we opposed rearmament—as if the government did not have a majority sufficient to do anything they wanted. This group did not prevent parliament from giving a better deal to the unemployed, but the unemployed did not get a better deal. This group did not prevent old age pensioners from getting better pensions, but the old age pensioners are not getting better pensions, though we have always been asking for it.

I believe it was in the first session after the Liberal government came into office that we made certain proposals in the house to deal with the unemployment situation that then confronted us, and the late Hon. Norman Rogers, speaking to the house on the question of unemployment, after making some reference to these proposals made the following statement as reported in *Hansard* of 1936, March 30, page 1593:

I believe it is useless for us to repair the superstructure of our economic life, as represented by our secondary industries, if its foundation as represented by our primary industries is crumbling away. I am not going to speak at length as to what may be done by public employment to meet the economic problem to which I have referred. I may state however that I am quite sure it has been proved by the experience of all countries that public employment of itself is not a solution. I repeat, it is not a solution. It would cost this country somewhere between $300,000,000 and $400,000,000 to put at work the employables in the category to which I have just referred.

Mr. Bennett: Per annum?

Mr. Rogers: Yes, per annum. It is conceivable that this country might pursue a policy of that kind this year and the year after, but it is not conceivable that this or any other country could continue a policy of that kind without adopting with all its implications the philosophy of socialism.

I direct the attention of the house to that statement. It would cost $300,000,000 or $400,000,000, Mr. Rogers said, to put into effect—what? A wealth creating programme such as we were suggesting, the building of houses and schools, the building of hospitals, the building of roads. We could not stand that, we were told. But in 1940, I believe, the war expenditures of the country were $800,000,000—I am not quite sure of the figures. In 1941 we passed a bill for $1,300,000,000, and that was not all. This year we have before us an appropriation bill for $2,000,000,000. But is anyone talking about the country going bankrupt? No; what we are afraid of is that when the time comes for demobilization, when we are not spending billions of dollars on destruction, we shall have to spend a little bit of money to create more wealth, and we are afraid that we shall not be able to stand it and that a terrible calamity will overtake us. Surely we must be crazy. This war must have taught us that if once we can get it finished, we are ready to say that never again need the people of this country face unemployment, poverty, misery or want, because we have everything here necessary to satisfy all our needs. We are proving that every day of our lives now.

I should like to make a suggestion to the minister. But first I would say I am glad, as is the hon. member for Fort William (Mr. McIvor) that there is at the present time a member of the cabinet who at least should understand labour.

Mr. MITCHELL: Does, not should.

Mr. MacINNIS: All right; we will watch you on that—who at least should understand labour. Until he came into the cabinet there was not a man in it who had any understanding of the labour problem either from experience or from study or from any other source. That fact is certainly reflected in the labour policies which have been followed in this country ever since the war began.

What I was going to say to the minister is that if he will get his colleagues in the cabinet to bring proposals before this house, be they ever so progressive, or radical if you like, this house will give them support, because this house is more progressive than the cabinet. I would not be surprised if the country is more progressive than the house. My hon. friend's position in the cabinet may be something like that of President Roosevelt and congress; although not having the same power, the minister is perhaps in a better position for getting his measures accepted as far as this house goes than President Roosevelt is in relation to congress, because congress is far less progressive than the president is. The president had great difficulty in getting congress to accept his new deal policies, as great difficulty in convincing them in that regard as he had in convincing them where their duty and interest lay during the last two years. The minister need not, therefore, be afraid, so far as this house is concerned, to bring before it any measure of social reform or social security.

The hon. member for Trinity (Mr. Roebuck), speaking this afternoon—and I think his speech must have been better than I thought at the time it was, because of the criticism it has received—referred to the problems that will confront us when the war is over. He said they would be such as to make the stoutest heart quail. I believe he would agree with this, that they could make us quail only if we insist on adhering to old ideas and outworn institutions; but that if we are prepared to look forward, to take advantage of the knowledge and experience we have gained concerning production since the war began, there is nothing, so far as the problems of production are concerned, and surely there is nothing so far as the problem of organization is concerned, that we cannot easily handle.

I wish to make one other point, not in regard to legislation that may be brought before this house but in regard to its administration. We must be very careful not to pit the returned men against those who did not go to war, as was done on so many occasions after the last war, when the returned men were made pawns of in order to support the selfish ends of vested interests. This must not happen again. I am satisfied that it will not happen again, because the returned men to-day and the men who will return from this war will be wiser than the men who returned from the last war and will not be so easily hoodwinked.

With these few words I shall leave the bill until it reaches the committee stage. I accept it as an almost infinitesimal part of the measures that will be required to meet successfully the problems with which we are and shall be confronted until we learn how to deal with them.

Hon. R. B. HANSON (Leader of the Opposition): I have very few remarks to make on this bill. It has been variously characterized by hon. members who have

spoken; the hon. member for Weyburn (Mr. Douglas) characterized it as a mere gesture, the hon. member for Parry Sound (Mr. Slaght), who undertook to spank him, thought it was a fine piece of legislation. I do not think it is worthy either of great blame or great praise; it is but an instalment; I do not suppose it is intended to be anything more. I think that is a fair statement of the position. This bill, as every one who has followed it will know, is in compliance with the promise made by the former Minister of Labour in June last when he brought down a certain order in council.

Mr. MACKENZIE (Vancouver Centre): A promise made to my hon. friend.

Mr. HANSON (York-Sunbury): Exactly so. We had an undertaking—I do not remember exactly how it came about—that that order in council would be followed by legislation at this session to give effect to its terms, and so far as I have been able to appreciate the bill, it is in fulfilment of that requirement. But to say it is a complete measure of rehabilitation for the returned soldier who finds himself out of employment would be far from the mark. This bill, and the order in council upon which it is founded, follow precisely a measure which was introduced in England, and it was merely—and I do not use that word in any derogatory sense—one short step to meet a situation which had emerged. I think the Minister of Pensions and National Health (Mr. Mackenzie) and the present Minister of Labour (Mr. Mitchell) will bear me out when I say that, taking it by and large, employers of labour have cooperated with the government in an exceedingly fine spirit.

Mr. MACKENZIE (Vancouver Centre): In no instance have we had any occasion to impose the order in reference to any large employer of labour in Canada.

Mr. HANSON (York-Sunbury): I am glad the minister says that, because that clarifies the position, and corroborates what I thought was the case. There may have been an odd instance where there has been refusal or inability to reinstate returned soldiers in their former employment. But I am glad to hear the minister say what he has said, that there have been very few cases in which application has been made to him to use the compulsory powers that are given in this bill.

Mr. MACKENZIE (Vancouver Centre): Mostly in cases of municipalities and institutions, not in connection with industry.

Mr. HANSON (York-Sunbury): Then that gives industry a clean sheet, though I did not rise to ask for a clean sheet for industry. If this, however, is intended to be a rehabilitation measure for all the armed forces, I say to the minister that it falls lamentably short. I do not think it was ever so intended; and the minister is grappling, not with the most important problem but with a minor part of it. He can say what he likes; we can all say what we like, but let us not blind ourselves to that fact.

Mr. MACDONALD (Brantford City): It is a necessary part, though.

Mr. HANSON (York-Sunbury): I agree, and I am not condemning the principle of this bill; the hon. member must not misunderstand me. It is good as far as it goes, though I want to tell the minister this—and I am going to have something more to say about it a little later on—that I think I could drive a coach and four through this bill in defending an action under it.

Mr. MITCHELL: You could with any bill; that is what they have lawyers for.

Mr. HANSON (York-Sunbury): Well, that is a frank admission on the part of the minister. I doubt if any case will ever come before the courts under this bill. I hope it may never be necessary; but just by the way, who is going to take the action? The bill is absolutely silent as to that; the machinery is not there. It is deficient in that respect. But that is a detail which perhaps I should not discuss in dealing with the principle. I call it to the attention of the minister now, so that at a later date he may give us some information as to the intention of the government in that regard.

May I say what perhaps I should have said in the very beginning, that I am glad to welcome the minister, as I have told him privately. He and I were in the House of Commons together a number of years ago. I do not propose to pour upon him any fulsome flattery to-night. The minister understands something about labour problems, but I should not like him to arrogate to himself what I thought he was inclined to do just a moment ago, full knowledge of everything in relation to labour.

Mr. MITCHELL: I never said that.

Mr. HANSON (York-Sunbury): Perhaps I misunderstood the minister. I am going to try to help him in connection with this bill. In the committee stage I am going to point out some of the good features of it and some of its weaknesses. But the bill only touches the fringes of a problem with which this country will be confronted increasingly day by day during the war and in the post-war period.

Mr. MACKENZIE (Vancouver Centre): We agree with that.

Mr. HANSON (York-Sunbury): This afternoon the hon. member for Trinity (Mr. Roebuck) made a speech which unfortunately I did not hear in whole, but which dealt in a measure with the larger aspects of this question of rehabilitation. With a great deal of what the hon. gentleman said I am in agreement. It may interest him to know, however, in relation to his remarks about the Atlantic charter, it is the opinion of many persons, including one man who was in very high authority on the other side but who has recently ceased to hold office, that there will be as many interpretations of the Atlantic charter as there are bodies sitting in at the conference. That did not sound very good to me.

Mr. ROEBUCK: That is the case also in connection with the bible.

Mr. HANSON (York-Sunbury): I suppose that is true, and as long as we are individualists and think for ourselves, that is quite proper. But it is not all going to be as easy as some people seem to imagine.

Coming back to this bill, I do not intend to deal with the whole question of rehabilitation in the post-war period. That, Mr. Speaker, is a mighty problem, and it is going to take the best minds and brains of the nationals not only of this country but of every democratic country in the world to solve these problems. But I do reaffirm what I said not many days ago in this house, that if industry and labour and governmental authority are wise; if they survey the situation sufficiently in advance, and if they make proper plans, there need not be a recurrence of the conditions we experienced after the last war. Therefore, as citizens of this country, as men earnestly wanting to do the right thing by our fellow citizens, it behooves us to begin to study these questions now. It is not too soon to talk about them; it is not too soon to study them. I commend the suggestion that was made in this house to-day, I think by the hon. member for Weyburn (Mr. Douglas), who I thought hardly deserved all the condemnation that was heaped upon him by my hon. and learned friend the member for Parry Sound (Mr. Slaght) with respect to his observations on this bill. It is not too soon for this parliament to set up a committee of this house to begin now to study and explore what may be done for rehabilitation in this country, especially of the armed forces. Begin now. Let the Minister of Labour give us a lead and give the private members of this house an opportunity to show what is in them. There will be ideas come forward, in a body of 245 men like this. I never had any difficulty in solving problems if I had ideas. The trouble with most of us is paucity of ideas. I have never in my life had any difficulty in clothing my ideas with proper language. My weakness has always been that I never had the right ideas, or enough of them, and I think that is the case with most of us. Originality is almost wanting in most of us, but let us get down to business and begin now to study the question of rehabilitation.

This bill will do something to take care of the soldier who had a job before he went to war and who comes back disabled. There are many soldiers in the armed forces. I shall not impugn their patriotism, but I suggest that at least fifty per cent of the men who enlisted in New Brunswick in the early stages of the war did so because they had no jobs. I have talked to many of them. I have had boys come into my office and ask me what they should do. They have had it figured out on a slip of paper, how much they were going to get out of it. I have always tried to tell them it was not a question of dollars and cents, that it was a question of their conscience, the duty they owed to their country, and that the mere pittance the country paid them was not the real consideration at all.

Mr. MAYHEW: Does my hon. friend think that was the spirit shown at Dunkirk?

Mr. HANSON (York-Sunbury): No; that was not the spirit shown at Dunkirk, and that would not be the spirit of these young men after they got into the army and saw some action. They would be just as patriotic as anyone else; but there is no doubt that numbers of men went from this country—let us be honest about it—because they were unemployed. That applies principally to the communities where there was no war employment. I do not know about the central provinces, where there was a great deal of war employment, but undoubtedly that was true in certain parts of the country. But do not let that be considered as a reflection on the patriotism of those young men who enlisted. That was not the sole motive; but they knew they would receive certain considerations, that their families would be looked after, and they joined up. That is nothing at all against them; but those men do not come under this statute. It is admitted; the minister will, of course, agree with that. That is the problem I suggest he has to face in the future. What about the reestablishment of the men who did not have jobs when they enlisted? That is the feature which I believe the hon. member for Weyburn was trying to impress

upon the minister. I am not going to discuss the point he raised. I suggest that this bill is just a measure—

Mr. ROWE: Just a gesture.

Mr. HANSON (York-Sunbury): No; it is perhaps more than a gesture. It is in fulfilment of a pledge given in June last when the order in council was passed. I believe the order in council was passed because of the pressure of public opinion upon the government to do something more than had been done. I believe it was very distressing in the early days of the war, when men were sent back, and especially those who had been overseas, because of physical disabilities. They were given what? They were given a month's pay and allowances.

One of the real difficulties the minister is going to find under the bill—and I point it out to him now so that the government may have an opportunity to think about it—one of the real difficulties to be encountered in operating under this bill is the case of the civilian who had a job before he enlisted, who went overseas and who, by reason of climatic conditions or for some other reason, is not able to come back and fulfil the functions he performed prior to his enlistment. How many of them there are, I do not know. How many there may be, I cannot guess. But that is going to present a real problem to the government. If the returned man cannot perform the functions he performed prior to his enlistment, then that is a cause for rejecting him under one of the sections of this bill.

Those are problem cases. I am sure the Minister of Pensions and National Health realizes what the situation is. I hope the Minister of Labour will understand it, too. Those are going to be the difficult cases to deal with. The man who is competent, the man who can come back to his lathe or to his job—there will be no difficulties about him. The real difficulty comes from the man who wants to work, but cannot work.

Mr. MACKENZIE (Vancouver Centre): Problem cases.

Mr. HANSON (York-Sunbury): You may call them problem cases, or whatever you like, but you may rest assured that there will be a great many of them, even though these men have not been through the rigours of battle. They have to be taken care of. What is the government offering them? It is offering nothing under this bill.

There are a number of aspects with which one might deal in discussing the bill. I believe the biggest problem of all is the man who enlisted, and who at the time of his enlistment did not have a job. He will come back, and unless there is something more than this bill offers, he will still be without a job.

Mr. CLARENCE GILLIS (Cape Breton South): Mr. Speaker, I had intended reserving what I have to say for the committee stage, had it not been for the remarks of the hon. member for Parry Sound (Mr. Slaght). I think they were misleading. In his remarks, when addressing the jury, he makes the observation that this bill was endorsed by the Canadian Legion, and that it was endorsed by labour. Definitely and specifically he made that statement.

At the time he made it I was sceptical. I am a member of the Canadian Legion. I understand the machinery of that organization, and I have had considerable correspondence with it, in that section of the country from which I come. I am reasonably sure that there has never been a branch of that organization consulted as to whether they disapprove or approve this bill. In addition, there is only one democratic way of consulting labour, and that is through the medium of their organization. I do not believe any of the organized sections of the trade union movement in Canada have been consulted.

I do not think this bill is necessary, and in that respect I agree with the leader of the opposition (Mr. Hanson).

Mr. HANSON (York-Sunbury): It ought not to be necessary.

Mr. GILLIS: It is not necessary at this time, in the form in which it is presented to the house. The men we should be concerned about, as the leader of the opposition and others have pointed out, are those in that disinherited generation which rode the rods for twenty years prior to the outbreak of the war, the men who were the first to go into uniform. To date no provision has been made for them, except to relegate them back to the ranks of the unemployed whence they came.

The man who had a job when he enlisted will not have difficulty, upon discharge, in securing the employment he left. The order in council passed at the last session served the purpose in that connection. I have seen no difficulty, as far as they are concerned, in the different parts of Canada in which I have moved. But there are hundreds of men who did not have jobs and who are back with discharge certificates. The employers do not want them because they are not physically fit. They are told their discharge is not worth the paper it is written on.

The Department of Pensions and National Health is trying to do something, and it is my personal opinion that it is a mistake to shift the problem of rehabilitation from that department to the Department of Labour.

An hon. MEMBER: Why?

Mr. GILLIS: Because the Department of Pensions and National Health have made a start on it. They have set up a committee. They have set out certain regulations. If that department were handling the whole problem, it could be considered as a whole. But if the problem is to be divided up, by juggling it from one department to another, we shall wind up with accomplishing nothing, and with no one accepting responsibility.

As far as my experience in the house is concerned, the Department of Labour is the only department of government which is not enforcing the legislation it is supposed to enforce. As a worker I am badly disappointed with that department. Outside the house I have always indicated that department specifically as the one to which the worker may turn when in difficulties. But my experience in the house has been that the name of the department should be changed. It might to-day properly be called the employers' protective association. I say that because in that department there is legislation which directly applies to the difficulties which the workers have been getting into from time to time. It is very clear and plain to me that that legislation could be enforced by the department, if they were so inclined. But they seem to take the reverse stand, and it is the employer they are concerned about at all times. I need not elaborate upon that point. It has been demonstrated time and again—Windsor to-day; Kirkland Lake last week. It has been that way right along for the past two and a half years.

I had the pleasure of serving on a parliamentary committee on pensions and national health, and I listened to the discussion with respect to rehabilitation. I heard the minister speak. A report was presented by that committee, which dealt with the rehabilitation of the man who comes back from service. I believe that committee made the best start that could be made when it tabled its supplementary report in the house on Friday, June 13, 1941. That committee was representative of all political parties in this house, and its membership was made up almost entirely of ex-service men. It dealt specifically with the question of rehabilitation which we are discussing under this bill, and recommended:

> That consideration be given to the retaining in the service for a period not exceeding six months after the date on which they would otherwise be discharged, non-pensionable and non-disability members of the forces with no assurance of immediate post-discharge employment, with the object of enabling such members of the forces to obtain employment and to be reestablished in civil life.

If this bill contained something of that kind, it would be a start in establishing a new order of society. It is rather disillusioning and it lowers the prestige of those in this house who attempt to speak for the people when phrases like "the old order of things", "the new order of society that must come forth", "the new ideals and new concepts" and so on are used. We have heard phrases such as these from all sides since the outbreak of the war. But each and every time those in authority should bring forward something by way of legislation that would lead us to believe that they were sincere in making these pronouncements or in giving this lip-service, or that they believed in a new deal after this war is over, they come back with exactly the same old story.

No consideration is given in this bill to the man who did not have a job. This is simply legislation to maintain the *status quo*. A man without a job is prepared to lay down his life for the institutions of this country. The committee on rehabilitation in Great Britain have recommended that the man who fights this war, who comes through Singapore, Hong Kong and the other battles that will have to be fought before this war is over, is not to come back to the ranks of the unemployed. The Department of Pensions and National Health have made a start. A man is entitled to $9 a week if he is single and $13, if married. That is a start, but it is still relief. At the expiry of the relief term there is no guarantee of a job.

Eighteen months after the war is over, public sentiment begins to cool off. People begin to forget that a man has fought. The men who came back from the last war had to take off their buttons in order to get jobs, and it was not very long before they had to do that. Ex-service men were considered as tramps and bums, and they were called that by many influential people. We do not want a repetition of that. We must make a start toward bringing in a new order of society. We must have this on paper by way of legislation. We must demonstrate to the people that we are not merely talking about this matter in order to fool them.

There are many sections of this bill to which I can give my own meaning. For example, section 2 can be used as a lever for conscription. The trainee is excluded. A man who is on a job and is called up for training, if he does not volunteer for overseas service he can be ruled out when he comes back from training. There is no protection for him in this bill as far as his job is concerned.

Mr. MITCHELL: I should like to point out that the trainee is protected under the regulations.

Mr. MACKENZIE (Vancouver Centre): Order in council, P.C. 7680 of October 7, 1941, brings such men within the provisions of the compulsory reinstatement order, P.C. 4758.

Mr. GILLIS: I would be quite agreeable if this still remains within the jurisdiction of the Department of Pensions and National Health. Why is that not in the bill? My main objection to the bill is that it shifts responsibility which should remain with the Department of Pensions and National Health.

Mr. MARTIN: Not necessarily; read section 11, subsection 2.

Mr. GILLIS: The trouble to-day is that so many boards are functioning and so many orders in council are passed we do not understand exactly where we are going. Before this war is on for another year we shall have to hire lawyers to sit at our elbows and interpret the laws of this country. I am not blaming the Minister of Labour for this, because I know he did not write it. The chances are that he disagrees with it as much as we do.

Mr. MITCHELL: I want to tell my hon. friend that I do not disagree with it as much as he does.

Mr. COLDWELL: It is just a matter of degree.

Mr. MITCHELL: It is not a matter of degree.

Mr. GILLIS: I do not want to waste any more time because we shall have an opportunity to discuss the sections in committee.

An hon. MEMBER: You have wasted enough.

Mr. GILLIS: That is your opinion. I earnestly suggest that the parliamentary committee which was set up by this house should continue to function in cooperation with the subcommittee that is functioning now. This whole matter of vocational training and everything pertaining to rehabilitation should remain under the Department of Pensions and National Health. I do not believe in giving bouquets, but since coming into this house my experience has been that in connection with any matter pertaining to ex-service men or any problem that I have had to present, the minister has been most efficient. He is on the job, and he understands the problem of the ex-service man, being one himself. This department has been working on this problem for two years, and it should remain there.

Mr. J. H. HARRIS (Danforth): Mr. Speaker, my first observation is to welcome our old colleague (Mr. Mitchell) back in the house in the position which he now holds. Perhaps we all look forward on behalf of Canada and our people particularly for some legislation of merit which will take some cognizance of the human element in our population rather than letting ourselves drift so easily into the channel of matters which are materialistic. I feel that this bill is only one step among many others, some of which have been taken and many more which will have to be taken before the unemployment probability becomes a problem. Yes; I would say more; we may not have an opportunity to face this problem if we do not conduct ourselves in the matter of the affairs of the nation in connection with one major matter which is in the minds, not only of us assembled here but of all the Canadian people. The fact that there is a war on, that the world is in flames; let us get through with legislation of this kind as quickly and as expeditiously as possible.

My words will be brief. I hesitate even to recite some of the ideas that run through my mind with regard to what will happen when the war is over. Where are these employers going to be? Some may be in bankruptcy and others will be out of business. As one generation succeeds another, many will fall by the wayside. This bill only touches, as someone said a moment or two ago, the fringe of the matters that are concerned. Let us then relate this bill to the war effort. Let us be sincere and genuine in anything that we promise these soldiers when they return. Do not promise them that certain things will happen when they return just to get them in the army, but rather establish confidence in them so that when they are in the army they will know, as the hon. member for Red Deer (Mr. Shaw) said, that their places in business or in the employment market will be ready for them when they return. Not only that, but establish confidence in those who are left behind—the mothers, brothers, sisters and others—so that the morale of our people may be kept on a very high plane.

The hon. member for Cape Breton South (Mr. Gillis) referred to the new order. The new order is already here, or what parts of it are not here are coming along very fast; we welcome them and are anxious that they shall prevail. We consider the employment of these men when they return; of course we do. Is there one of us whose pleasure it is to have a payroll who has not said to his employee when he enlisted, "Good luck, and God be with you; and when you come back, as we pray God you will, you will be put back to your job with all the seniority rights which go along with it." A little while ago the hon. member for Red Deer made a speech, the first half of which was very good; but as

he went on he seemed to suggest, to my mind, that industry had no soul; he seemed to think that those charged with responsibility of the pay envelope for large numbers of employees did not give much thought to them. I asked him to go into a huddle with his seat mate, the hon. member for Vegreville (Mr. Hlynka). It was my pleasure, when he came to Toronto some months ago, to take him round to certain establishments, where he was shown payrolls, not of ten or fifteen employees but of 200 in one establishment and the same number in another. When he went over their employment cards he found that these men knew no other boss, they knew no other job. He will say, I believe, that there are some industries, may I say most industries, in Canada to-day that have a soul, that have a heart, and that are anxious to do something on behalf of their employees.

MR. SHAW: On a point of order, may I say to my hon. friend that I did not cast any reflections on industry or the part which industry is playing; I criticized the financial system and the financial institutions of this country.

Mr. HARRIS (Danforth): I suggest, Mr. Speaker, that that is not a point of order, but I will try to answer the implication which is made. I wonder just how much the hon. member was helping employees and employers —financiers, if you will—and those who subscribe to victory loans and to everything else which go to make up our present war effort, when he questioned whether there was a sinister influence behind the government. Where are the sinister forces; where are these money barons who promote or suggest to administrations ruthless decrees as to how our country shall be operated? Did that help the idea which is in the minds of one and all of us at this time? I congratulate the hon. member upon the first half of his speech, but I ask him, before he gets over into the funny money ideas, to give some thought to the war picture as it obtains to-day.

When my hon. leader observed that this bill ought not to be necessary, he propounded a question; he did not say that it was not necessary. In every line of endeavour there are those who have to be tapped on the shoulder and told to observe the rules; they may be quacks in the medical profession; they may be persons operating without a licence; but in every vocation you find those who have to be told. For those who have no soul in their business, who are not concerned about the rights of others, by all means put such legislation on the statute books. The minister must exercise his authority to remind people of this type, whom he may let me call "pikers"

[Mr. J. H. Harris.]

—the minister and I understand that term— that there is a law on the statute books. Therefore I say, put this bill and other measures of a like nature on the statute books and you will help the general situation.

Let me go one step further. There is legislation, well worth-while legislation, known as unemployment insurance. I think perhaps you should have some employment insurance. There is provision in the statutes to-day for making inventory reserves in your financial set-up. I just wonder whether it would not be good business to legislate to permit employment of financial reserves to take care of post-war problems of this kind. If you are going to consider unemployment insurance for the employees, perhaps you might also give consideration to employment insurance for the employers, to see that they are kept in business to take care of the armed forces when they return.

The period we are now going through is just the close of another phase of the business cycle. We had a business cycle wherein efficiency engineers of all kinds came to the front and took charge of industry throughout Canada. They sat with stop-watches over an employee and his particular vocation to show how production might be speeded up, for example, from forty units to forty-five units an hour. These proceedings were necessary because the shareholders owning businesses were demanding returns on their investments. But one circumstance which was not, to my mind, put in the balance in that equation was the fact that the employees could not stand the pressure and the strain of high efficiency. When labour is plentiful that system may obtain, but when labour is scarce they slacken down on the degree of efficiency they demand from their employees. When labour is plentiful the soul of business goes out of the window; when labour is scarce the soul creeps back in. To my mind this legislation, in common with other laws of a like nature will help to keep some soul in business, and in the final analysis will go a long way toward meeting the post-war conditions which we now fear.

In the meantime I say to the administration, all the elements in this bill which will help the war effort are commendable, but let us get on with everything which has to do with the direct prosecution of this war, so that in the days to come it may be our privilege to meet in the broadest possible way the situation which we are thinking about now, rather than, perhaps, have someone else, the dictator, say what we are going to do—and that individual will be soulless.

Mr. W. R. MACDONALD (Brantford City): It is my intention to make just a few observa-

tions on this important piece of legislation. Before doing so, may I take this opportunity of thanking hon. members in all parts of the house who were very kind in offering words of congratulation to me when I had the honour of seconding the address in reply to the speech from the throne. Those words were all too flattering but nonetheless greatly appreciated. I also wish to thank my friends in the press gallery for the complimentary references they made about my speech. Many of them represent newspapers, the policy of which is diametrically opposed to some of the ideas I expressed, but they were in every instance most fair to me. This speaks volumes for those of our friends who sit in the press gallery doing an important piece of work. It is impossible for them to quote all the words said in this house; nevertheless it is their duty to interpret to the public what goes on here, and all members will agree with me when I say they discharge an important task very well indeed.

I should like to join with the hon. member for Davenport (Mr. MacNicol) in congratulating the Minister of Labour (Mr. Mitchell) upon bringing down this legislation, and I think it is to be noted that the first measure brought down by the new minister is one dealing with returned men. That will be to his undying glory. Of course it is natural that he should bring down this legislation, for he himself was a sailor and sailed on British ships during the last war.

It has been suggested, I believe almost entirely from outside this house, that this legislation should be left until the war is finished or almost finished. I am in full accord with prosecuting this war with all vigour and doing all we can to win it. Nothing must be left undone; no one must be taken from any service which would contribute to the winning of the war. That is our first aim, our important task at the present time. But there are doubtless some whose service cannot be used at this time directly in the winning of the war, and those people should, I believe, devote their time and their minds to the introduction of legislation which will assist in rehabilitating those who are giving their all at this time of the nation's peril.

In Great Britain great attention is being given to the question of rehabilitation. It was my privilege, together with five other members of this house, to be in the House of Lords when His Gracious Majesty delivered the speech opening parliament, and I will quote some of the words of that speech:

> My government, in consultation with the allied governments, and with the goodwill of the government of the United States of America are considering the urgent problems which will face them when the nations now enduring the tyranny of the oppressor have regained their freedom.

In Great Britain, therefore, it would appear that they are not leaving this problem until the war is over or almost over, but are tackling it now. We all recall that after the last war men were discharged from the army and had no employment. We have heard to-day from many members of instances they know of where men were discharged and never did regain employment. We do not want that condition to prevail when this war is over. Men must not be discharged from the army until they have some tangible means of supporting themselves.

I would join with the member for Cape Breton South (Mr. Gillis) in paying a tribute to the Minister of Pensions and National Health (Mr. Mackenzie). I also sat on the committee on pensions and rehabilitation which functioned during the last session of parliament. I know something of the interest which the minister took in that committee, and I join entirely with all that the hon. member for Cape Breton South has said with regard to the minister. I know that the minister is devoting a great deal of his time towards devising ways and means so that the lot of the returned soldier will be made easier when the war is over. But not only must we consider the lot of the returned man; we must think of all of the working people of the country.

It has been said that this is a war of machines. Accordingly there are thousands of men now working in armament plants of various kinds who will be thrown out of work after the war. It should be the duty of this house to consider ways and means whereby these men will have other work to which they can go. None of us wants to live over again the years from 1932 to 1936, when thousands of people in this country were unemployed. The city of Brantford, which I represent, was before this war the fourth export city of the dominion. It is essentially an industrial city. But I recall that in the years from 1932 to 1936 practically twenty-five per cent of the people of that great industrial centre were on relief through no fault of their own. They suffered long continued and enforced idleness while their women and children suffered with them; and what was true of Brantford was true of practically every other industrial city, not only in this dominion, but throughout the world.

I remember that in England there were three million people unemployed, and it is said that in the United States there were 13,000,000 unemployed. I also remember reading that in Germany there were 7,000,000 unemployed.

It has occurred to me that the nazis could not have come into power in Germany if it had not been for the great masses of the people who were unemployed. Germany used those men to create instruments of destruction, and those men have now practically become slaves of the state. Our unemployed did retain their spiritual and political freedom, and now it should be our aim to assure them of economic security. As other speakers have said, it is not going to be an easy task. It cannot be done by the waving of a wand. The leader of the opposition (Mr. Hanson) has pointed out how difficult it will be. Nevertheless we cannot shrink from the task; we must endeavour to provide security for those who are now employed.

Our men are fighting for better living conditions for all. They do not want to come back to the conditions of 1932-1936. In fact they have been encouraged by the words of the Atlantic charter. This charter has been referred to by many hon. members to-day, more especially by my friend the hon. member for Trinity (Mr. Roebuck). Let me just mention two points of that charter; the fifth principle is: "Security for all, improved labour standards, economic advancement and social security." The sixth—and this is very important—is, "That all may live out their lives in freedom from fear and want."

Subsequently to the Atlantic charter, representatives from twenty-six nations gathered in Washington and signed what has come to be known as the Allied Washington agreement. It was signed on January 2. The representatives from these nations bound themselves for their respective countries, to certain common principles in national policy, on which they based their hopes for a better future for the world. If we combine the thought of the Atlantic charter and the Washington conference, we get the words delivered by the President of the United States when he said:

> Our own objectives are clear: the objective of smashing the militarism imposed by war lords upon their enslaved peoples; the objective of liberating the subjugated nations; the objective of establishing and securing freedom of speech, freedom of religion, freedom from want and freedom from fear anywhere in the world.

He went on:

> When I say that this time we are determined not only to win the war, but also to maintain the security of the peace which will follow. . . . We of the United Nations are not making all this sacrifice of human effort and human lives to return to the kind of world we had after the last war.

The men who are enlisting to-day are not offering their lives to return to the kind of world in which they lived immediately preceding this war. We have a great country; we have great resources. Our problem is to see that everyone, irrespective of his station in life, gets a fair share of the good things of this great land.

Mr. VICTOR QUELCH (Acadia): I had not intended to take any part in this debate, but owing to the trend of the discussion I feel obliged to say a few words.

We have heard a good deal about a new social order that is to come after the war. But this bill proves conclusively that the government totally fails to comprehend the objective of any new order. For instance, is our objective merely to find jobs for people? Is that our objective to-day? Our objective to-day is to bring about a maximum war effort, not to find jobs. In order to maintain a maximum war effort we are actually having to conserve labour, and in order to make that maximum war effort the government has guaranteed that all financial restrictions shall be removed, that no financial restriction shall be allowed to cripple our war effort. All right; then when peace comes, let the government still declare that in order to maintain a maximum peace effort no financial restriction shall be allowed to impede that effort. If that is done, we shall not be worrying about jobs but, just as to-day, it will be a matter of where to get the labour to maintain our maximum peace effort. Let us get away from this defeatist psychology of wondering where we can find jobs and how to maintain our maximum effort. Let us use a little common sense in dealing with this question.

When the end of the war comes, Canada will be ready for the greatest era of prosperity in its history, provided, of course, the country is not invaded. At the end of the war our productive capacity will be greater than ever before in the history of the country; we shall have more skilled labour; it will be merely a question of diverting production from war needs to peace needs. We shall be able to give the people the full enjoyment of that productive capacity. Yet we hear people worrying about what the people are going to do at the end of the war, just as though we are bound to curtail production and go back into depression. I would remind the house of what Mr. Evans, administrator of the triple A in the United States of America said in their recent convention. He said,

in effect: "America will never go back to the depression of 1932 for the very reason that if it did there would be a revolution." People will not stand for a return to that condition, because the people know that depressions are not made by God, they are made by men, and everything made by man can be changed.

It is just as well, in trying to reassure ourselves that depression need not come back after the war, to make an analysis of what brought the last depression, why it continued and why we did not cure it. Let us go back to the period 1928-29. At that time we did not hear anything about unemployment. We had very few agricultural problems; generally speaking, agriculture was prosperous and production was being maintained near its maximum. Then what happened? In the spring of 1929, all of a sudden, without any warning at all, people's line of credit at the banks was curtailed. People who had been in the habit of going to the bank year after year and getting a line of credit suddenly found that credit cut off. From 1929 to 1932 $900,000,000 was withdrawn from circulation. Anyone who was in business at that time knows that that statement is correct. Men were discharged on account of industry having to curtail production; that reduced purchasing power and resulted in reduced sales, and we went into the vicious spiral of deflation.

It was a common thing during the period from 1935 to 1939 to hear members of this house and the then Minister of Finance criticize industry for not having sufficient confidence to expand production. But could you blame industry? Industry at that time was having a very hard job to sell the goods it was producing; industry knew only too well during that period that if it increased production it would just have a surplus on its hands. To-day even most economists admit that the reason that condition existed was that owing to certain practices inherent in the capitalistic system, industry does not and cannot create an effective demand for its own production, except in times of abnormal capital goods production; and during that period our production of capital goods dropped to a very low level. Therefore we are faced with one of two alternatives; either we have to follow the practice of all capitalist countries and try to maintain a large favourable balance of payments, or, on the other hand, we have to issue additional purchasing power outside the industrial system to make up the deficiency of purchasing power. The policy of this government has always been to try to maintain a favourable balance of payments, and from 1925 to 1929 we had an average of $200,000,000 a year. I remember in the banking and commerce committee asking Mr. Towers, the governor of the Bank of Canada this question: Is there any reason why we could not put into operation $200,000,000 of national projects financed by the Bank of Canada so that the money paid out on these projects will create a demand for the goods for which we have a credit abroad of $200,000,000? Then importers knowing that these goods can be sold if brought in would bring them in. Mr. Towers answered:

That is a matter of government policy.

He did not try to deny it. If the government had decided to maintain an even balance of payments to build up the wealth of the country and issue enough purchasing power to assure that the goods, once produced, could be purchased, it could very well have put the people to work on national projects by expending at least $200,000,000 so that there would have been a demand for the goods we already had a credit for abroad.

But, as we know, that policy was not followed. It may be interesting to note the extent to which other countries have gone in order to bring about prosperity by the practice of expanding foreign trade and maintaining a large favourable balance of payments. The country I have in mind, the outstanding country in that regard, is England. I should like to read a statement which was made by Reginald McKenna to the American Bankers' association on October 5, 1922:

For over two centuries British capital, that is, credit, had been lent to other countries; year by year England produced more than she either consumed herself or could exchange for the products of other nations, and she could not obtain a market for the surplus unless she gave the purchaser a long credit. Foreign loans and foreign issues were taken up in England and the proceeds were spent in paying for the surplus production. British factories and workshops were kept in good employment, but it was a condition of their prosperity that a part of their output should be disposed of in this way.

I should like to read also a statement made by Sir Arthur Samuel, former secretary to the treasury in the Conservative government, writing in the *Times* supplement under date of November 1, 1930:

During the last sixty years fleets of ships have carried abroad millions of tons of merchandise, shown in the board of trade returns as exports, but the nation has lost an important portion of their total value. That can be proved by the fact that our surviving overseas investments prior to the war amounted to only £4,000 million. Of that amount we parted with £1,000 million owing to the war. That total ought, however, in my opinion, to be very much larger—not less than £6,000 million at the very least. Therefore, at a cautious estimate, I say we have lost not less than £2,000 million

in overseas investments during the last sixty years. It is not unlikely that our loss has been much heavier, perhaps even £4,000 million.

The interesting point there is that even though England lost possibly four thousand million pounds in foreign investments, that condition brought prosperity because it provided for greater employment in that country. Nearly everyone had work to do; the industries were all running at full capacity. But I would point out how much greater the prosperity of the people of England could have been if that large amount of wealth which was shipped abroad and lost had been made available to the people of England by instituting, we will say, large national projects in the form of slum clearance, parks and so on. Mr. P. C. Loftus, M.P., commenting on that statement in the British House of Commons, pointed out that this was just as much a loss as though the goods had been taken to the middle of the Atlantic and sunk.

Another reason why we can condemn that type of policy carried on in this country is that there can be no justification for maintaining a favourable balance of payments to the extent of $200,000,000, while at the same time we had in the country a million people on relief. In other words, we were depriving those people of $200,000,000 worth of goods. As a result of that policy; as a result of our insane desire to maintain a favourable balance of payments, what did we do in this country? In 1938 and 1939 we exported scrap iron to Japan; we shipped oil to nations that we knew would be our enemies sooner or later. But apparently, in order to maintain that favourable balance of trade, we were prepared to ship goods to any nation, no matter whether or not those goods were likely to be used against us in the future. To-day we are having the scrap iron we shipped to Japan sent back to us, with interest in the form of shells and bombs used against our fighting forces.

I want now to point out the other alternative, which, as I said, would have been to issue purchasing power outside the industrial system in order to make up the deficiency of purchasing power, so as to create an effective demand against the production of the country, as has been done or attempted by Mr. Roosevelt. We all know that Roosevelt's policy in the past has been to institute large national projects in order to try to increase the purchasing power of the people so that it will take care of the production of the country. Time and again in broadcast speeches he has made the statement that his policy is to maintain an effective demand against the production of the country. Whether or not he has accomplished that, at least we can congratulate him upon his sincerity of purpose and upon the distance he has travelled in that direction.

Supposing we had adopted that policy in this country and had issued purchasing power outside the industrial system in order to increase the effective demand of the people. It will be remembered that from 1935 to 1939 we had an average of half a million people unemployed, with industry running in low gear. We could very well have put two hundred thousand of those men, we will say, at work building up the defences of the country, financed by the Bank of Canada. That would have increased the effective demand against production. As the demand for goods increased we could have put another hundred thousand men at work in the increased production of consumer goods; and as our production of consumer goods exceeded the demand, we could have put more men at work building up our highways, eliminating our slums, and carrying out various other projects. We could have had a commission or board for the purpose of at all times investigating the relationship between the production of capital goods and the production of consumer goods. Any time the demand for goods fell down we could have increased our production of capital goods, and any time the demand for goods exceeded the supply we could have expanded our production of consumer goods. In addition to that, the board, in order to maintain an equilibrium, could have put into operation a discount whenever the demand for goods fell below the supply. That policy has been adopted to a certain extent in the United States, under what is known as the stamp plan. In that country they had large surpluses of certain products. On the other hand they had large numbers of people on relief, with very low standards of living. So they instituted what was known as the stamp plan. When a person was paid a dollar while on relief he was also given a blue stamp worth fifty cents, and with that stamp he could buy fifty cents worth of goods that were listed as surplus. The amount of money issued in stamps was sufficient to take care of that surplus. The same idea could be expanded to take care of all surplus production as it occurred.

A programme of that kind would have made it possible for us in this country to maintain our production from 1935 to 1939 at its maximum level and make that production available to the Canadian people. Surely, Mr. Speaker, when we start worrying about what is going to happen after the war, all that is necessary is for the government to say that as soon as they have no further need of a

maximum war effort they will divert their energies to a maximum peace effort. Then, if all financial restrictions are removed as they are supposed to be to-day, we can go ahead with a programme under which a proper balance will be maintained as between the production of capital and consumer goods, so that the effective demand against goods will always be equal to the supply. If industry is assured of that situation, I am satisfied that we shall not need to worry about whether or not people will be able to get jobs. I should say that under a policy of that kind the only thing we would be short of in this country would be labour. There would be no question of looking for jobs in order to maintain a policy of that sort; we would be short of men in order to expand it to a greater degree, thereby giving the people a maximum standard of living.

Our policy in regard to foreign trade would be to exchange our goods for the goods of other nations. Until we get away from that idea of maintaining a favourable balance of trade, we shall always have trouble. To-day we must accept our share of the responsibility for this war, because any time nations refuse to accept goods in payment for goods they are stirring up international friction which leads to war. That was one of the principal causes of this war. It is all very well to say that Hitler started it; but if it had not been Hitler, it would have been someone else; he just happened to be there. Remember what President Wilson said of the last war, that it had been caused by keen industrial rivalry. As long as you have nations in cut-throat competition for markets, refusing to accept goods in return for goods, you are causing international friction. At the end of this war not only have we to try to maintain a high standard of living in Canada, but we have to try to maintain a policy which will bring international peace and goodwill. And you will never do that as long as you insist upon maintaining a favourable balance of payments at the expense of other nations.

It will be remembered that Mr. Leigh, secretary of the London Chamber of Commerce, in England, has been emphatic upon that point. He has said that nations must be prepared to accept goods in payment for exports. He has pointed out that you have to get away from the gold standard. He went further and said that a nation which exported a million dollars worth of goods to another nation should never get payment until it accepted a million dollars worth of goods in return. And if it refuses to accept the goods in return, then that debt should be cancelled over a period of years. If we had a policy of that kind, there would be far less international friction in the world to-day and in the future than there has been in the past.

To come back to the bill; the hon. member for Parry Sound (Mr. Slaght) has referred to the fact that the legion has endorsed the proposal. I do not believe the legion endorsed this bill, although it is true that in the past the legion did state that it was in favour of some measure whereby industry would be compelled to take back their former employees who have enlisted in the armed forces. On the other hand I should like to tell the Minister of Labour (Mr. Mitchell) that last year this question was raised in the special committee of the house on pensions, and it was the general opinion of the members who sat on that committee that, whilst desirable, the suggestion was impracticable, and a recommendation was not made. The matter was discussed at great length, but we did not make any recommendation. We could not see our way clear, although we liked the idea, with respect to any recommendation to compel industry to take back even former employees at the end of the war. Many objections were raised. Whilst such a course was very desirable, as the leader of the opposition has said, I believe it is impracticable, and it is doubtful whether a case could be made in law to support it.

It is my opinion that the whole question will have to be dealt with in a much broader way. Instead of trying to see how we are going to put the men back to work, let us devote all our energy toward finding out how we are going to maintain the production and services of this country at their maximum level, and then find the ways and means by which that production and those services can be made available to the people. If we do that, we shall not need to worry about unemployment; unemployment will disappear. That, I claim, is the only sound solution of the problem.

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

On section 1—Short title.

Mr. HANSON (York-Sunbury): Mr. Chairman, this bill is one of some importance, and I am surprised that the minister in charge has sat practically silent throughout the whole debate on the second reading. I assume that he will now give the committee his ideas with respect to the bill, what purposes it will achieve, how far he thinks it goes, and what more is to be done to take care of the problems outlined.

Mr. MITCHELL: Mr. Chairman, I had intended to speak, but when the motion for second reading was put I was engaged in conversation with the Minister of National War Services (Mr. Thorson), and I had not an opportunity to rise in my place.

I deeply appreciate the sentiment expressed on both sides of the house with respect to the bill. I believe it can be fairly stated that all parties in the house agree as to its principle. It was never intended to be a rehabilitation measure, in the sense that we understand the broad question of rehabilitation. As indicated, the bill has been introduced largely because of the suggestion made by the leader of the opposition with respect to the order in council drafted about a year ago.

Mr. HANSON (York-Sunbury): On the condition that the order would die.

Mr. MITCHELL: Yes. As I explained, this bill follows the legislation in Great Britain, the United States, New Zealand and Australia. I believe it could be fairly stated that they have found legislation at this time necessary, and that it was not altogether an empty gesture on their part. They must have felt, as we have felt, that legislation of this kind would be necessary to give leadership to industry, and to comment generally on the policy to be adopted at the conclusion of the war in connection with the return of the men in the fighting forces.

If the hon. member for Cape Breton South will examine the bill carefully, he will see the imprint of organized labour in it. It may be said, too, that in the bill will be found evidence of the work of the special committee on demobilization which sat under the chairmanship of the Minister of Pensions and National Health. As a matter of fact, the bill was approved by that committee. It was approved, too, by the national labour supply council, an organization representative of industry and labour, and all shades of opinion in those groups. It was approved by representatives of dominant employers' organizations in the dominion. It was also approved by the labour coordination committee, which crystalizes the viewpoint of the various departments on legislation of this kind.

The bill is sponsored by the labour department rather than by the Department of Pensions and National Health because the idea was born within the labour coordination committee, and then was passed on to the national labour supply council for official approval of representatives of industry and labour.

As is customary in connection with legislation of this kind, both sides of the house took a broad view of the question. I believe that is the wise and sound thing to do in respect of any legislation or policy affecting the returned men in the armed forces. I say that because, after all is said and done, no political party in Canada has a first mortgage on the will to render assistance to the men who make it possible for this parliament to sit to-night.

As I said earlier, it is not my intention to speak at length. As the bill is discussed section by section its various aspects will be discussed. Criticism will be offered and met. When we are discussing returned soldiers' problems I think we must keep in mind the desperate position in which free people of the world find themselves to-day. One hon. member this afternoon mentioned that he had lived dangerously. I think most hon. members who served in the last war, who had the will to live and the will to sacrifice and to drive forward had to live dangerously. I believe the same spirit will drive forward the men at present in our armed forces. My only hope and wish is that the same will to sacrifice, in greater and greater degree, may be inculcated in the minds of our civil population, so that we may pass through this most terrible period in the history of our civilization.

I do not think I should say anything more at this late hour. I believe I should permit the committee to proceed with the business of discussing the bill section by section.

Mr. HANSON (York-Sunbury): I am surprised that the minister has not gone more deeply into the matter. Perhaps questions by hon. members will elicit further discussion. I should like to ask the minister if in his opinion this bill does not reaffirm the principle that private enterprise not only owes a duty to provide employment but is the best agency to provide employment. We heard a good deal in this discussion, and we have heard it elsewhere, that the government should embark on vast enterprises of public expenditures when this war is over.

Mr. NICHOLSON: The hon. member for Souris (Mr. Ross) said that.

Mr. HANSON (York-Sunbury): Yes, he was among those who did, and I am not disparaging the idea at all. I suggest to the minister that he should give to the committee and the country his views as to what agency is best capable of providing employment, having regard to the demand for employment that there will be from these men who come back.

Mr. SLAGHT: Let us get on and win the war.

Mr. HANSON (York-Sunbury): I do not think that interjection was called for any more than was the speech this evening of the

hon. member for Parry Sound, if he will allow me to say so. I am trying to get from the minister the merits, to put it baldly, of government expenditures as opposed to private enterprise.

Mr. SLAGHT: What has that to do with this bill?

Mr. HANSON (York-Sunbury): Of course that interjection is of a kind with the last one.

Mr. SLAGHT: It is a question if I am permitted to ask it.

Mr. HANSON (York-Sunbury): It has quite a lot to do with this bill, and I shall try to make it clear. This bill primarily is based on two theories. First, there is the duty of private enterprise and the theory that that is the best way by which these men can be rehabilitated. What I want to get from the minister is his views as to how we can best rehabilitate these men, through what agencies that can be done, whether part government and part private or whether all private. I want to know if he thinks the encouragement of private enterprise would provide the avenue through which employment might be obtained for these men.

Mr. MACKENZIE (Vancouver Centre): With all due respect to my hon. friend, I hardly think that his question deals with this bill. His question has to do with economic policy, and I suggest to my hon. friend, with the utmost deference, that any government in power must work with the economic system in existence until that system is changed. The purpose of this bill is to give the government the opportunity to avail itself of the resources of free enterprise until that might be changed by the free opinion of the people. Surely, to ask the minister whether a system of free enterprise or a system of socialism would be the best to get results is not germane either to the principle or to any particular section of this bill. I might say quite frankly that as far as I am concerned I think the duty of any government is to use to the utmost all the resources of free enterprise by cooperation with free enterprise.

Mr. HANSON (York-Sunbury): That is partly an answer to my question. I do not think the minister objects to answering the question. I invite him to give us his opinion.

Mr. MITCHELL: It is quite a large question.

Mr. HANSON (York-Sunbury): I know it is, and I think the minister has some ideas.

Mr. MITCHELL: I have a lot of ideas, but most of them are predicated upon whether or not we win the war, and I say that with all sincerity.

Mr. HANSON (York-Sunbury): I am not taking it otherwise.

Mr. MITCHELL: I do not think it is a fair question to ask on a bill of this description.

The CHAIRMAN: I would point out that it is out of order. We are in committee, and under standing order 58 we must study the bill clause by clause. The question put by the leader of the opposition is beyond the scope of the bill and is clearly out of order.

Mr. COLDWELL: I have not said anything on this bill. I was going to comment on the question asked by the leader of the opposition, but since, Mr. Chairman, you have ruled on it as you have, I do not propose to deal with that except to say in one brief sentence that if we are going to discuss the implication of the bill within our economic structure, I want to make a speech. But this is not the place to do that. In my opinion the people are expecting us to get along with the business of this house with more rapidity than we have shown in the past month or five weeks.

Mr. MARTIN: You should have supported me when I objected to the hon. member for Weyburn (Mr. Douglas).

Mr. COLDWELL: The hon. member for Weyburn was not called to order by the Chair or anyone else; the Speaker ruled that he was in order. I think we might get the minister to explain what he proposes to do when this bill is passed. Who is to be responsible for its enforcement?

Mr. HANSON (York-Sunbury): That is covered by the last section.

Mr. COLDWELL: I am quite aware that it is, but there is no indication in the bill as to who will be charged with that responsibility. I think the bill was properly described this afternoon by the hon. member for Trinity (Mr. Roebuck) and by the hon. member for Weyburn as a gesture. There was nothing improper in characterizing it in that way because the minister himself indicated that this was but a beginning, as it were, and in that respect it might be termed a gesture. The bill is to provide for the reinstatement in civil employment of individuals who enlist for service in his majesty's forces or who perform essential war employment.

Mr. MacNICOL: The minister has announced that he is going to wipe out that last part.

Mr. COLDWELL: The last part is to be struck out, and I regret it because I think the men who are doing essential war work are performing almost as vital a service as the men serving in the armed forces.

Mr. TURGEON: Not the same nature.

Mr. COLDWELL: Or not the same risk; I grant that immediately. I think we have forgotten to some extent that this war can be won only by those nations which can gear up their productive machinery to an extent that will provide the necessary goods. Consequently, the men who are engaged in these productive enterprises are performing a vital part in our war effort and ought to be provided for when war ends. Again I say that in all fairness it can be said that while the men engaged in industry are performing a vital work, they are not taking the risks of the men engaged in active service. I think the original intention of this bill should be carried out. The reinstatement in employment of men now in the armed forces will be only a part of the general problem of reemployment that we shall have to face when this war ends.

I am in accord with those who have urged to-day that a committee of this house should be established to go into the whole matter of post-war reconstruction and human rehabilitation. I think, too, that it would give many private members of this house an outlet for the energy which they have, energy which they feel has been to some degree frustrated. But as far as the beginnings go, the bill is a step in the right direction.

It is called the Civil Employment Reinstatement Act, and the very title of it would seem to indicate that the two groups should have been considered in the one bill, and that a mistake has been made in cutting off from this particular measure those who perform essential war employment.

I am not going to speak at any length to-night, because, as has already been said, the hour is late, and we shall have an opportunity of saying more on the various clauses as they are discussed. But I did want to bring to the attention of the committee that one point which I have very much in mind, that this problem of reemployment will involve not only the men who are engaged in the armed forces, but all those who are engaged in essential war effort of every description; and, if I may say so, I do not believe that reliance on private enterprise will either solve this problem or win the war. Before we can win the war against the totalitarian powers, we shall have to have a total war effort, and that, in my opinion, will compel us to take out of the hands of private enterprise war industries and organize them as essential national enterprises.

Mr. MACKENZIE (Vancouver Centre): We have done much of that already.

Mr. FRASER (Peterborough West): In the preamble, in lines 10 and 11, it states:

. . . with conditions not less favourable to the employee than he would have attained had he not enlisted. . . .

It seems to me that this is slightly ambiguous. On page two—

The CHAIRMAN: We are not on the preamble. We are on section 1, "short title".

Mr. FRASER (Peterborough West): We are just on the short title? Well, in that regard I should like to ask, will the men who enlisted, who used to work in the House of Commons, be covered under this bill? Will they be taken back in their former positions?

Mr. HANSON (York-Sunbury): No.

Mr. FRASER (Peterborough West): I should like to know that, because a number have gone from the employment of this house.

Mr. HANSON (York-Sunbury): They do not come under this bill.

Mr. GREEN (Vancouver South): Under this clause I want to ask a question which will take some minutes. I wonder whether consideration of the clause can be set over until to-morrow.

Mr. HANSELL: Just before we close, I am a little hazy as to a point of order here.

The CHAIRMAN: There is no point of order before the Chair.

Mr. HANSELL: I am raising the point, because I should like to know. We are on section 1. I wish to know when we take the preamble.

The CHAIRMAN: After all the clauses of the bill, we come to the preamble.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Friday, March 6, 1942

The house met at three o'clock.

PRINTING OF PARLIAMENT

CONCURRENCE IN FIRST AND SECOND REPORTS OF JOINT COMMITTEE

Mr. VINCENT DUPUIS (Chambly-Rouville) presented the first and second reports of the joint committee of both houses on the printing of parliament, and moved that the reports be concurred in.

Motion agreed to.

ALASKA HIGHWAY

RECOMMENDATIONS OF JOINT DEFENCE BOARD—ARRANGEMENTS BETWEEN CANADA AND THE UNITED STATES

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Since I answered a question of the leader of the opposition (Mr. Hanson) yesterday regarding the status of the discussions with reference to the construction of a highway to Alaska, a recommendation of the Canadian section of the permanent joint board on defence on this subject, which had been referred to the appropriate military authorities for examination, has been considered and approved by the war committee of the cabinet. I am now therefore in a position to make a statement on the subject to the house.

The advisability from a military standpoint of constructing a highway to Alaska has been under review by the defence services of Canada and the United States. After final consideration by the permanent joint board on defence on February 25 and 26, a unanimous recommendation favouring the construction of such a road was addressed to the two governments. This recommendation has now been examined and approved by both Canada and the United States.

The recommendation of the defence board, which has been endorsed by the military authorities in each country and approved by the respective governments, is based on purely military considerations. The dimensions of the road, the type of construction and the route chosen have all been selected on this basis and this basis only.

The road as approved will start at Fort St. John in northern British Columbia and follow the general line of the airports which Canada has constructed at Fort Nelson, Watson Lake and Whitehorse; and thence via Boundary and Big Delta to Fairbanks. The highway will thus connect with the existing road systems of Canada and Alaska.

The United States government, appreciating the burden of war expenditure already incurred by Canada since her entry into the war, and in particular on the construction of the air route to Alaska, has offered to undertake the building and war-time maintenance of the highway. At the conclusion of the war that part of the highway which is in Canada will, of course, become in all respects an integral part of the Canadian highway system. This offer has been accepted, and its terms will be set forth in an exchange of notes which will be signed and made public in the very near future. Canada will, of course, provide all necessary facilities, including the right of way for the road. Meanwhile, United States engineers who have been selected to make the survey and to lay out a pioneer road have been authorized to commence work without further delay.

Mr. GEORGE BLACK (Yukon): Following the question asked of the Prime Minister yesterday afternoon by the hon. leader of the opposition, as I feel quite keenly on the subject of the Alaska highway I took it upon myself to write a letter to the Prime Minister on the subject. Probably he has not seen it yet. In the letter I referred to what he quoted to-day, that the road will begin at Fort St. John and go north through Canada, out of the valley of the Mackenzie river into the Yukon, and thence into Alaska. It will be about 1,200 miles in length. It goes for the most part over tundra and muskeg, the most difficult and expensive terrain on which to build a serviceable road. If the United States want to take more men and supplies to Alaska now—and I think they should, although to my knowledge, because I have seen them go, vast numbers of men and great quantities of war materials have already gone there by sea and air—the way to do it is to take them by rail to Prince Rupert, now, not next year or the year after, and from Prince Rupert send them by sea—

Some hon. MEMBERS: Order.

Mr. BLACK (Yukon): If hon. members will allow me for a moment; up to the present the matter of time has not been much of a consideration in this house.

Mr. MACKENZIE KING: As a matter of privilege let the hon. member finish.

Mr. SPEAKER: If it is the wish of the house that the hon. member be allowed to make this explanation on the orders of the day, of course the Chair will accede to it. But I wish to point out that exception has already been taken in the house to questions and statements following the answer to a question put on the orders of the day and leading almost to the

proportions of a debate. I do not think that is a proper procedure. If the Prime Minister wishes that the hon. member continue his statement—

Mr. MACKENZIE KING: In this case I think my hon. friend wishes to bring out a matter that he feels is of urgent and immediate importance, and if the house will permit him to make his statement I think it would be helpful.

Mr. HANSON (York-Sunbury): The hon. member is perhaps asking a question on the orders of the day covering the matter referred to, and the statement of the Prime Minister dealing with the same subject rather foreclosed him. Perhaps the house will be good enough to hear him for three minutes longer.

Mr. HANSELL: I rise to a point of order. I have no objection to the hon. gentleman making a statement, perhaps a very necessary one, but if one hon. member is allowed to make a statement others may wish to discuss the same matter. There is more than one hon. member who is interested in this particular matter, and if it is a question of discussing routes and so forth there is a good deal that may be said. I suggest that the Prime Minister provide some opportunity for discussion of this matter.

Mr. SPEAKER: The hon. member is following on the lines of what I have already mentioned. The Chair is in the hands of the house; in this case the leader of the government has consented to the hon. gentleman's completing his statement, and I take it he has now practically completed it. In this case therefore there might be an exception, but I wish to point out that the Chair should not be placed in the position of having to discriminate between hon. members in matters of this kind.

Mr. BLACK (Yukon): I was saying that if men and equipment are taken by rail to Prince Rupert they can be shipped from Prince Rupert to Skagway by what is virtually an inland passage, a series of islands all the way on a run that could be easily protected. From Skagway they are taken across the pass by rail to Whitehorse, where a road is now being used to transport goods and passengers from Whitehorse to Dawson, and from Dawson to Fairbanks, which is the centre of activity for Alaska and from which railways and good roads radiate. It is only a short jump from there, and if they want quick action that is the way to go.

I am not opposed to the ultimate construction of the road from Fort St. John north. It is a splendid thing to have, but it cannot be done in a hurry.

[Mr. Speaker.]

Mr. H. C. GREEN (Vancouver South): May I ask a question of the Prime Minister arising out of his statement? He said nothing whatever about any terms of the agreement covering the actual construction of the road, whether it is to be built by Canadians or by citizens of the United States. Has any agreement been reached on this point?

Mr. MACKENZIE KING: In the statement which I made to the house a moment ago I said that the offer of the United States government has been accepted, and its terms will be set forth in an exchange of notes which will be signed and made public in the very near future.

Mr. GREEN: Can the Prime Minister not give that information in the meantime?

Mr. MACKENZIE KING: It would have to be given in both countries at the same time. I am making this announcement to-day because it is being made simultaneously in Washington.

Mr. J. R. MacNICOL (Davenport): The Prime Minister has stated that the Alaska highway will start at Fort St. John. By what route will the road south of Fort St. John reach that point? There is only one bridge over the Peace river, and that is at the town of Peace River. Is the road to go through Peace River?

Mr. MACKENZIE KING: I regret that I cannot answer my hon. friend's question at the moment. Full information will be given in due course; that is all I can say.

WHEAT

INITIAL PRICE—REPORT AS TO CLOSING OF WINNIPEG GRAIN EXCHANGE

On the orders of the day:

Mr. E. E. PERLEY (Qu'Appelle): I desire to direct a question to the Minister of Trade and Commerce, based on a report emanating from Winnipeg this morning, to the effect that the Canadian wheat board gave notice this morning to the Winnipeg grain exchange that the initial price paid by the board would be advanced and it suggested the closing of the exchange and freezing prices at yesterday's close. Yesterday No. 1 northern closed at 77⅞, and May wheat at 79¼. The idea of freezing the price was to arrange for settlement of trades, this to be done pending a further definite announcement by the government. Is this report correct? Has any representation been made by hon. members of this house to have the Winnipeg grain exchange closed permanently or for the duration of the war, and if so does the government propose doing so?

Hon. J. A. MacKINNON (Minister of Trade and Commerce): The hon. member is essentially right in his reference to the directions that have been given by the wheat board to the Winnipeg grain exchange. I purpose introducing to-day a bill to advance the price of wheat, and I hope to be able to speak on the bill at the very earliest opportunity the house will give me. As to the second question, regarding the closing of the Winnipeg grain exchange, no such representations have been made that I know of.

MAGNESIUM

DEVELOPMENT OF EAST LAKE AINSLIE, N.S., DOLOMITE DEPOSITS

On the orders of the day:

Mr. M. E. McGARRY (Inverness-Richmond): May I ask the Minister of Munitions and Supply (Mr. Howe) whether, in view of the importance of magnesium in our war industry, the government has under consideration the advisability of developing the valuable and extensive dolomite deposits at East Lake Ainslie, Inverness-Richmond?

Hon. C. D. HOWE (Minister of Munitions and Supply): We have not considered it. We have ample supplies of dolomite located adjacent to hydro power. I might say that the supplies of dolomite in this country greatly exceed the possibilities of manufacturing it into magnesium.

GASOLINE

DEVELOPMENT OF OIL SHALE IN COUNTY OF ALBERT, N.B.

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): May I ask the Minister of Munitions and Supply if his department or the oil controller have given any consideration to the further development of the oil shales in the county of Albert, New Brunswick, having regard to the gasoline situation?

Hon. C. D. HOWE (Minister of Munitions and Supply): I believe I have a report from the oil controller regarding that situation, but it does not seem to favour any such development at the present time.

JAPANESE NATIONALS

REPORTED INFLUX INTO PROVINCE OF ALBERTA

On the orders of the day:

Mr. J. H. BLACKMORE (Lethbridge): Has any report reached the Minister of Justice concerning an influx of Japanese into the province of Alberta, travelling in their own cars and trucks? If so, will the minister inform the house to what extent such report is based upon fact? If the report is correct, what measures has the minister taken to deal with the situation?

Hon. L. S. St. LAURENT (Minister of Justice): No such report has reached the department. I inquired of the commissioner of the Royal Canadian Mounted Police as to whether he had any information at all regarding it and he told me that he had not, but would communicate with his chief officer in that province to see if there is any local information in respect of this matter.

PRIVILEGE—MR. D. G. ROSS

TRANSFERS FROM RESERVE TO ACTIVE ARMY AT BRANTFORD TRAINING CENTRE

On the orders of the day:

Mr. D. G. ROSS (St. Paul's): Yesterday the hon. member for Brantford City (Mr. Macdonald) referred to an article appearing in the Toronto *Globe and Mail* which he said stated that a full platoon stepped up, one hundred per cent, to go active. He neglected to read further from the article, which says—

Some hon. MEMBERS: Order.

Mr. ROSS (St. Paul's): This is a question of privilege.

Mr. SPEAKER: May I ask if it is a question of privilege by which the hon. member is directly affected?

Mr. ROSS (St. Paul's): Yes, Mr. Speaker. The point is that of the fifty-nine men in the platoon, fifteen were from Toronto, most of them from my own riding.

PLEBISCITE ACT

AMENDMENTS MADE BY THE SENATE

On the orders of the day:

Mr. JEAN-FRANCOIS POULIOT (Témiscouata): As a private Liberal member of this hon. house, referring to page 1066 of *Hansard* for yesterday and page 131 of the *Votes and Proceedings* of yesterday, on a question of order may I ask the Secretary of State why, while reading the senate amendments to the plebiscite bill, he omitted to mention the thirteenth amendment, which related to a change in the wording of the French question?

Hon. N. A. McLARTY (Secretary of State): I think those who were in the chamber yesterday will realize that I did not undertake to give an exhaustive reading of all the amendments. There were a limited number of changes in the wording, changes which I was advised were calculated to make clearer

the intention of the act. If I overlooked any one it was purely by reason of the fact that I thought any such amendment as the one mentioned—and I must say it was not called to my attention at the time—was one of those amendments made for the purpose of clarification only.

Mr. POULIOT: It was only one word.

INTERNMENTS

REQUEST FOR INVESTIGATION AND RELEASE OF INTERNED ANTI-FASCISTS

On the orders of the day:

Mr. VICTOR QUELCH (Acadia): Having in mind the brief presented to the Minister of Justice by a delegation of twenty-five persons from the national conference on democratic rights, has the government taken any action to investigate the cases of interned anti-fascists, on their individual merit, to the end that those held merely on the charge of having been members of the communist party may be released?

Mr. SPEAKER: Order. This is a question of the kind which is not capable of an immediate answer without previous notice. I suggest that it be placed on the order paper.

CANADIAN WHEAT BOARD ACT

PROVISION FOR INCREASED RATE PER BUSHEL ON WHEAT DELIVERED BY PRODUCERS

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

That it is expedient to introduce a measure to amend the Canadian Wheat Board Act, 1935, by making provision for the payment of an increased rate per bushel on wheat delivered by producers.

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

Mr. DOUGLAS (Weyburn): I understood from the Minister of Agriculture (Mr. Gardiner) yesterday that a statement would be made on Monday covering all the details. The other day the Minister of Trade and Commerce said it would be some time soon. Monday is to be the day, is it?

Mr. MacKINNON (Edmonton West): It will be discussed on Monday if it can be brought on that day.

Resolution reported, read the second time and concurred in. Mr. MacKinnon (Edmonton West) thereupon moved for leave to introduce Bill No. 13, to amend the Canadian Wheat Board Act, 1935.

Motion agreed to and bill read the first time.

[Mr. McLarty.]

CANADIAN ARMED FORCES

REINSTATEMENT IN CIVIL EMPLOYMENT OF PERSONS WHO ENLIST IN HIS MAJESTY'S FORCES

The house resumed from Thursday, March 5, consideration in committee of Bill No. 5, to provide for the reinstatement in civil employment of individuals who enlist for service in his majesty's forces or who perform essential war employment—Mr. Mitchell—Mr. Fournier (Hull) in the chair.

On section 1—short title.

Mr. GREEN: Mr. Chairman, the purpose of this bill is to help the men of the fighting forces to get jobs upon their return to civilian life. I believe there is no doubt that all hon. members are in favour of everything possible being done along that line, because we recognize that these men of the fighting forces will have done a great service for the nation, that they will have made sacrifices, and that in trying to become reestablished in civilian life they will be handicapped to a certain extent.

Therefore this bill says to employers, "You must"—it does not say "Will you please?"—it says "You must back up this fighting man who was your employee when he enlisted." I do not think it is asking too much of the government to suggest that it say to all its civil servants, including employees in this House of Commons, that it will go equally far. At the present time there may be an order in council which provides such protection for civil servants, but if there is I am not aware of it; I do suggest, that the government, in order to make its own position clear, should pass an order in council giving these civil servants just as much protection as we are forcing private employers to give to their employees.

But the government is failing to back up the men of the fighting forces in another way. It is failing to back up other fighting men who are even more numerous than those who will be benefited by this measure. I do hope I shall only have to draw this to the attention of the ministry in order to have the necessary steps taken to remedy the situation. I refer to the men of the fighting forces who try to get work through our new national employment agencies. After all, the great majority of the returned men who will get work will get it through those agencies. Those men will have given the same service to the nation and will have made the same sacrifices as the men protected by this bill. Nevertheless under our present laws, when they go to the national employment agencies they must take their chances with civilians seeking employment through the same agencies.

In other words, the Department of Labour —and I am afraid it is that department rather than the Department of Pensions and National Health which is the sinner—has not adopted a policy whereby men of the fighting forces shall receive the preference in these new national employment agencies. It is true that in a few of the larger agencies—I believe only about fourteen or fifteen—provision has been made whereby the Department of Pensions and National Health may install an official known as a veterans' welfare officer. This official sits in the national employment agency, but he cannot do any actual placement work. In other words, if a returned soldier goes to the agency looking for a job, the veterans' welfare officer cannot accept his as a special case, and go out and find the work. For some reason or another the Department of Labour will not allow the official of the Department of Pensions and National Health to do that.

The same point was under discussion before the special committee on the Pension Act which met last year. I would refer hon. members to page 672 of the proceedings of that committee, at which point I asked Mr. Woods certain questions. Mr. Woods was in charge of the veterans' welfare division of the Department of Pensions and National Health. These are the questions and answers:

Q. If an employer sends in for five men under the new plan that request will go to the general employment officers?

A. Yes.

Q. And there will be no preference for the ex-service man; he just takes his chance with everybody else who is registered there?

A. Unless the employer registers a preference.

Q. In most cases probably the employer will not. In other words, you are trying to put the onus on the employer to ask for the soldier. Suppose he does not. Then the returned man will just be treated as another individual, and your welfare officer sitting in that same office will not have the power to go out and seek jobs for the returned men.

A. No, not under the new set-up of the dominion employment service.

That means, to sum up, that no preference is given in our dominion employment offices to the men of the fighting forces; and that, in my opinion, is wrong, and should be remedied without further delay.

This committee brought in recommendations, and the Minister of Labour will find at page 503 of the *Votes and Proceedings* for last session a recommendation as follows:

We recommend that the Department of Labour instruct and require their placement or employment officers to cooperate with the veterans' welfare division officers and to give preference in employment to ex-service men.

Furthermore, the Department of Pensions and National Health has set up honorary committees across Canada, and has asked those committees to try to find ways of placing these men of the fighting forces. The inference has been throughout that the work of the honorary committees was to persuade employers to give preference to returned men. I believe the Minister of Pensions and National Health will agree with me when I say that.

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

Mr. GREEN: We have such a committee in Vancouver, and there are similar committees in other parts of the country. They have run up against this very problem. I quote from a report made last December by a subcommittee of these citizens. I might add that Mr. Woods was present at the meeting. I might state, further, that I do not believe there is a more efficient or more progressive man in the civil service than Mr. Walter S. Woods. We find this statement in the report of the committee of citizens:

It has been generally recognized by this committee that where possible veterans should receive preference in all employment openings. We think that a definite policy should be laid down by the Department of Labour in this question and that staffs should be instructed accordingly.

That is not the condition at the present time.

Then this committee go on to explain the reasons for their recommendation. I quote again from the report, for the information of the Minister of Labour:

We are always aware of the psychological effect on the veteran when registering for employment. He feels, and always will feel, that he is entitled to just a little more consideration than is given to those who did not serve in the active forces. So, if we can give him some direct service, we will go a long way toward dispelling the ever present fear that he is going to be the "forgotten man". Therefore we feel that some authority should be instituted right in the unemployment office to see that the veteran gets his fair share and percentage of employment.

That means, in effect, that the government is not backing up these men of the fighting forces who go to the national employment agencies seeking work.

The Minister of Labour is a new man on the job and I believe he is a very able administrator. I urge upon him most sincerely that he remedy this situation at once; that he direct his employment offices right across Canada to give preference to the men of the fighting forces. Further, where there is a representative of the Department of Pensions and National Health in an employment office, the Minister of Labour should direct that such man from the other department shall have the utmost freedom in going out to find jobs and in acting as a placement officer.

Mr. MACKENZIE (Vancouver Centre): I must say that I am in substantial agreement with almost everything my hon. friend has said. I realize that he brought up this question last year before the committee of this house. At that time the issue was as to the actual placement of ex-service men. I must say that even with the limitations existing, the work performed by the veterans' welfare officers has been magnificent. They placed a thousand men in January alone. According to our records, of nearly 45,000 men discharged from the forces, there are 1,062 out of employment at the present time. That is a marvellous record for the Dominion of Canada. Of course, there are exceptional conditions prevailing in the country at the present time.

I agree with the suggestion that the actual placement of these men should be in the hands of those who are charged with that special responsibility. My colleague (Mr. Mitchell), who is himself a returned man, I am sure will agree with the suggestion of the hon. member for Vancouver South (Mr. Green). I hope the condition to which reference has been made will be corrected as soon as possible. There should be absolute cooperation between the departments, and the placement of ex-service men should be in the hands of ex-service men themselves.

Mr. GREEN: Can we take it that this will be the policy of the Department of Labour from now on?

Mr. MITCHELL: My hon. friend can rest assured that there will be absolute cooperation between the two departments. Anything that is practicable will be done for the returned men of this country.

Mr. GREEN: The Minister understands my question?

Mr. MITCHELL: I understand it clearly.

Mr. GREEN: I am asking that the representative of the Department of Pensions and National Health shall be free to go out and seek jobs. After all, the effectiveness of this plan will be decided only when there are many more men being discharged than have been discharged to date.

Mr. MITCHELL: I understand the question.

Mr. GREEN: My other suggestion was that in the national employment agencies preference should be given to returned men.

Mr. MACKENZIE (Vancouver Centre): I will try to advocate that as strongly as I possibly can. I think the principle of this bill should be applied as widely as possible.

[Mr. Green.]

Mr. MARTIN: How many veterans' placement offices are there in Ontario?

Mr. MACKENZIE (Vancouver Centre): I could not say offhand, but I think there are about six. There is one in each of the main centres. I understand there is one in Windsor.

Mr. MARTIN: Yes.

Mr. MACKENZIE (Vancouver Centre): I think there are about six or eight in Ontario.

Mr. MARTIN: It strikes me that that is an inadequate number of placement offices for a population of 3,000,000 people. There is a very good officer in Windsor, but it is not very convenient for people who live many miles outside the city to come to see him. As a matter of fact, I have had some experience in this connection. There is not enough publicity given to the existence of this officer or to the existence of the office. I think the minister should consider increasing the staff.

Mr. MACKENZIE (Vancouver Centre): I shall be glad to give attention to it.

Mr. GREEN: The Minister of Pensions and National Health has gone part way, but he has not answered my question. He says he will advocate that men from the fighting forces be given preference in the employment agencies, but he may not be a successful advocate.

Mr. MACKENZIE (Vancouver Centre): That happens frequently.

Mr. GREEN: I should like to know from the Minister of Labour whether or not his department will change its policy. These business men who are helping you to place soldiers are worried about this. They are the ones who have brought the question to a head. One of them sums it up by saying:

> At present when a man is through with the department of pensions and health and goes to register with the Department of Labour, there is no follow-up programme. The staff of the employment service includes many veterans who quite naturally will give a discharged man every consideration. But the Department of Labour has not established it as a policy that veterans shall receive preference, although the dominion government have asked industry to do so.

That is exactly the point. Will the Department of Labour announce a policy and give directions to its employment agencies that preference shall be given to the returned man who comes seeking a job? This is a point which is vital to many men and the ministry should make up their minds about it.

Mr. MACKENZIE (Vancouver Centre): What was the date of the statement which my hon. friend just read?

Mr. GREEN: This letter was written in January.

Mr. MACKENZIE (Vancouver Centre): It is not correct.

Mr. GREEN: It is correct in Vancouver, unless conditions have been changed since I left there.

Mr. MACKENZIE (Vancouver Centre): I am sorry, but I must disagree. The Department of Pensions and National Health are charged with the responsibility of following up every discharged man who is not employed. There are four or five different classes of benefits available to him, such as vocational training, education and otherwise. If he is not able to take advantage of any of these, the department is charged with the responsibility of finding him employment. If it cannot find him employment, it provides him with benefits for fifty-two weeks within a period of eighteen months of his discharge. So, whoever wrote that letter was not very familiar with the actual terms of the legislation.

Mr. GREEN: That was written by a man who is on a committee which is helping my hon. friend to place these men. The fact is that in the majority of the employment offices across Canada there is no representative of the Department of Pensions and National Health; they are staffed entirely by the Department of Labour. The Department of Labour have not said to their employment offices that preference in jobs shall be given to men coming back from the forces. I submit that instructions to that effect should go out to every employment office across Canada. The result would then be that when a returned man goes into an employment office, no matter where it may be and whether or not there is a veterans' welfare officer there, he will receive first consideration. If there are two or three men applying for one job, the preference will go to the soldier. My question is perfectly simple: Is the government prepared to direct its agencies to that effect, or is the government not prepared to do so?

Mr. MACKENZIE (Vancouver Centre): May I say to my hon. friend that as far as the department of pensions is concerned, we follow up every discharged case. Where employment is not provided, it is our duty as a department to follow up the case. This is done through our welfare officers. If we cannot find employment, there are four or five other ways of looking after the case.

Mr. GREEN: The Minister of Pensions and National Health should be supporting me instead of trying to knock me down.

Mr. MACKENZIE (Vancouver Centre): I am.

Mr. GREEN: The position is that the representatives of the Department of Labour in these agencies have not had instructions to give preference to the men sent to them by the Minister of Pensions and National Health. I am asking that the Department of Labour give their men those instructions. That would help the Minister of Pensions and National Health when he has 50,000 men, instead of 1,000, to handle. He will need all the help he can get from the Department of Labour. I should like to know from the Minister of Labour whether instructions to that effect will be given.

Mr. MITCHELL: I do not think I can go any further with my hon. friend than I did last time, and say that so far as the Department of Labour is concerned there will be the closest cooperation with the Department of Pensions and National Health. Everything practical that can be done for the returned soldier will be done. I take it from the statements of my hon. friend that up to the present moment there has been very little or no criticism of the treatment of the returned soldiers.

Mr. GREEN: Will the minister look into this question of instructing his agencies to give a preference to the returned men?

Mr. MACKENZIE (Vancouver Centre): Certainly.

Mr. HANSON (York-Sunbury): Is there one of these placement officers in New Brunswick, and if so, where is he located?

Mr. MACKENZIE (Vancouver Centre): I have not the full details because this is really not my bill; but if any hon. member feels that the welfare officers in any province are insufficient in number to look after the situation adequately, I shall be very glad to recommend an increase in their number in any centres which are appropriate for the purpose of looking after our returning soldiers.

Mr. MacINNIS: I do not know, Mr. Chairman, whether this discussion is strictly in order, but yesterday evening I called attention to the danger we are in of dividing the returned men, on the one side, from the ordinary workers on the other. I saw too much of that after the last war. If we are going to take the position now that there are not going to be sufficient jobs to go round after the war, and that consequently people are going to find themselves in difficult circumstances, we are at once admitting defeat in our attempts to reorganize society after the war is over. The position we shall have

to take in this house is that in this Dominion of Canada one of two things must be done: employment must be provided or, failing that, adequate maintenance for every man who is willing to work.

Mr. MACKENZIE (Vancouver Centre): Hear, hear.

Mr. MacINNIS: I base my position in this house on that principle. It may be good policy from a political point of view to advocate a preference for the returned men.

Mr. HOMUTH: That is not fair.

Mr. GREEN: On a question of order, Mr. Chairman, the member is making an unfair implication.

Mr. MacINNIS: I make no implication, but if my hon. friend is so touchy, I will not put it in that way.

Mr. MACKENZIE (Vancouver Centre): If I may interrupt, for the last twenty-five years every single party in this House of Commons has agreed on a preference for the ex-service men.

Mr. MacINNIS: I agree and have always agreed on a preference for the ex-service men in the civil service and in various other services. But you will find employers who will be quite willing to say that they want to give a preference to the returned men, but who, when the war is over and demobilization comes, will pit the returned men against the men who did not go to the front.

Mr. HOMUTH: No.

Mr. MacINNIS: Then disprove it. I know it, from what happened after the last war. I have seen returned men used to break up workingmen's organizations, and come pretty near to killing men at that, too.

The first thing you will be confronted with, and particularly in connection with your employment offices—that is altogether a different thing from the civil service, to which I shall refer later—is this: On the one hand you will have elderly men looking for work, men who could not get into the armed services. On the other hand you will have young men who were not of an age to go into the armed services. Why in the matter of employment should you discriminate against the young man who was not old enough to go into the armed services, and who, if he had been, would have enlisted or, if he had not, would have been conscripted into the forces? The employment offices are definitely a part of the unemployment insurance scheme. The man who, when working and a contributor under the scheme, becomes unemployed, if he does not get a job through the employment offices, will receive unemployment insurance benefits. Would it not be better, instead of making a division between the men who went to the war and the men who did not go to the war, to pay adequate maintenance to the returned man until such time as there is a proper employment for him? To do otherwise would be only for the benefit of those who want to make a division in labour's ranks. While the war is on, and before this problem is pressing upon us, we should first decide on the principle and then stick to that principle that every man, woman and child in Canada who is willing to work shall get work or adequate maintenance.

Mr. DIEFENBAKER: I do not agree with the argument of the hon. member who has just spoken. I do not see how this legislation causes any cleavage whatsoever. As the Minister of Pensions and National Health (Mr. Mackenzie) has said, the members of this house, regardless of party, have given lip-allegiance at least for the last twenty-five years to the principle of a preference to the men who have served their country, and I for one do not want to see that principle departed from regardless of the argument advanced by the hon. member.

A reading of this legislation shows that while it is a step in the right direction, it is rather haphazardly put together. Without regard to party all hon. members believe that the surest guarantee that men will be employed after the war is the arousing of a public sense of responsibility now. We know that in the transition period from war to peace great difficulties will be experienced in order to assure to those who serve their country the right which their country owes them of receiving back the job they gave up in order to go to war. We do not want these men to return to the humiliation and despair of unemployment and to an economic struggle once more against those whose physical standards will be very much better than theirs.

I think, too, that this bill is designed to prevent the exploitation of the returned men by any employer who would take advantage of their situation. Looking over the bill, however, I find it difficult to understand why many changes have not been made in order to provide against a large number of contingencies, not possible contingencies, but those that face us even now. I am not going to be critical and say that this is piecemeal legislation. But I do think the house should approach the whole problem of rehabilitation of service men after discharge at once.

Let me run over the bill, without going into unnecessary detail. I would point out first that it merely touches the fringe, the very out-

skirts of the problem. It does not include that vast army of men who, when war broke out, were unemployed and enlisted in the armed services. Again, it does not include all those who were employed; it covers only those who were employed on September 9, 1939, in other than a temporary position. In other words, the man who was employed on September 9, 1939, does not come under this legislation at all unless he was then permanently employed. Again, it does not include all those who were unemployed on September 9, 1939, but secured employment after that date. It covers only those who were employed after that date for at least six months in other than a temporary position. Therefore, as far as the bill before us goes, it pertains to only one group of the men—those who had jobs that were permanent jobs.

It does not cover men who had temporary jobs or those hired from week to week or month to month. It is well to know that of the men who have returned from overseas since the outbreak of this war, as unfit for service, numbering 3,932, only 1,109 had been pensioned, and it would be of interest if the minister could tell us how many of those men who have come back from overseas, who are not now in the army in Canada, and who are not now receiving pensions, are unemployed.

I do not very often pay compliments, but in fairness to the Minister of Pensions and National Health (Mr. Mackenzie) I want to compliment him upon the sympathetic assistance he has invariably given in order to relieve situations such as the one to which I will direct the attention of the committee provided, of course, he possesses the necessary legislative authority. But this is one in respect of which he cannot give relief because of the law as it now is.

A man in my own constituency joined the veterans' guard in July, 1940, served for seventeen months, and was discharged as unfit for further service. At the time he joined he had land under the soldier settlement board. Like so many soldiers settled after the last war, he did not pay his indebtedness and was still indebted at the outbreak of the present war. When he joined the veterans' guard an order in council which had been passed some years ago was resorted to by the board, and his wife's dependent's allowance was reduced by $15 a month during the time he was in service, and was applied on account of his indebtedness to the government of Canada. When he came back from service unfit for service there was only one place to which he could go and that was back to the farm.

This bill is based upon an order in council passed in June, 1941, which is in almost identical words. Neither the bill nor the order in council covers the position of a man in this ex-soldier's position. He went back to his farm after discharge from the army. He has not had a crop for several years and applied for some assistance, and I would refer the committee to a letter he received from the district rehabilitation board in reply. He said to them that he could not get employment and was not entitled to unemployment insurance—such as the minister referred to as being payable in certain cases—and was in a bad financial plight. This is the answer he received:

> Applicant was established on soldier settlement board farm at the time of his enlistment, July 8, 1940. During his period of service his wife carried on with the operation of the farm with the aid of hired help, and when discharged Hemmings returned to the farm to continue farming operations on the same basis as at the time of enlistment. Under these circumstances an award cannot be made under section 3, and if the family is in need it is a case for the municipal authorities.

That was February 18, 1942.

Mr. MARTIN: What branch of the service was he in?

Mr. DIEFENBAKER: The veterans' guard.

Mr. MACKENZIE (Vancouver Centre): Was he overseas?

Mr. DIEFENBAKER: He was overseas in the last war, but not in this one. He was fit when he joined; he gave service, and now that he is discharged he does not get a pension. During the time he was in the army, $15 was being deducted from his wife's dependents allowance, and he is now advised to ask for relief assistance. I know that all hon. members will agree with me that relief is neither the award nor recompense that he deserves, and, I repeat, this bill affords him no consideration, and to take relief is all that remains for him.

Let me give another instance, that of a man who returned from overseas, invalided home in 1941 and discharged at Regina, on December 23, 1941. His pay ceased on his discharge, and his wife's allowance was thereupon discontinued. The stores in his district cannot be expected to continue to give him credit, and he is now compelled to apply for relief, after having been in the service of his country overseas for a very considerable period of time.

These are two examples of men who have enlisted and who have been honourably discharged, and there is nothing whatever to cover their plight under this bill. They are not entitled to pension. There are three cardinal principles that guide all governments who are trying to do their part for these men. Those principles are these: Measures designed to assist

soldiers in resoration to health, or pensions to be paid for disability; training the ex-soldiers for trades, giving students an opportunity to complete their education; and finally employment assured to discharged soldiers or in default of employment, the payment of unemployment insurance.

If the conditions to-day are such as I have described, when we have so few men discharged, what would happen if the war should end now and 400,000 men were discharged from the army, the navy and the air force, and 700,000 men in war industries became unemployed because the industries in which they are employed were no longer necessary.

I find nothing to indicate that the experience of the last nine or ten months since the order in council came into being, the experience of Canada since even the outbreak of the war, has in any way resulted in the embodying of the results of such experience in this bill. As a matter of fact, it is based on the British act which was passed at the outbreak of the war before Britain had any experience at all. The provisions of the order in council of June, 1941, are unchanged. This bill does nothing but embody the terms of the order in council because of a promise to that effect that was given at the time by the then minister of labour. My suggestion is this: None of us wants these men to return to the relief rolls. But this bill will only prevent our ex-soldiers returning to the relief rolls in the event of their coming within the ambit of the bill which is very limited in its application in that it refers to ex-soldiers who were not in temporary employment when they enlisted.

I suggest that the whole bill be submitted to a committee of the house, as was the plebiscite bill. Let it be redrafted and made to cover the various contingencies and eventualities that can arise and have already arisen. Other legislation is being introduced in connection with ex-soldier problems such as land settlement and the like—I believe it is to be introduced next week. Have the whole matter of service men's rehabilitation placed before a committee of this house and hold up the bill for the time being. No harm will occur, as the order in council is still in effect. There is no rush in having it passed. Let this parliament produce a bill that will give hope and courage to the men of the armed forces, and will provide in unmistakable terms for every contingency and eventuality that may arise or has arisen in connection with the whole problem of rehabilitation of our soldiers upon their return to civilian life.

I entirely agree with my leader's statement that as it stands at present the bill is difficult of enforcement, because there are loopholes in practically every section. Without going into details now I would point to section 4 which defines the circumstances under which an employer must reemploy a returned soldier who was formerly in his employ. It contains several loopholes, as do several other sections to which I shall make reference when the individual sections are being discussed. Experience has proven in my opinion that parliament cannot legislate a people into doing that which public opinion does not demand or sanction and actively support.

If this debate has done nothing else, I believe it will rivet the attention of the people of Canada to this problem of rehabilitation. If we are going to discharge our responsibilities in fairness and equity towards these men before the problem becomes too great and with the experience we have already had, I suggest that the whole matter should be submitted to a committee of the house so that the fullest consideration will be given to this problem. The whole matter should be canvassed now before it is too late, in the interest of the men who are in service overseas and seeking to prevent the difficulties that will arise when the war ends unless action is taken now, and in order to remove the feeling of resentment that must inevitably arise in a community where men in the position I have referred to return and find themselves on relief. We do not want our men to receive as their recompense for military service overseas the opportunity to go on relief rolls.

Mr. COLDWELL: I think no group or member of the house would deny that we should endeavour to give this bill and its principle every support. But as the hon. member for Lake Centre has said, it touches only the fringe of a very large subject.

Mr. MACKENZIE (Vancouver Centre): We admit that.

Mr. COLDWELL: His suggestion is not new; it has been made in this house on a number of occasions, although I am glad he repeated it this afternoon.

Mr. HANSON (York-Sunbury): It was not made before on this bill.

Mr. COLDWELL: But this bill touches only the fringe of the problem that has been referred to many times in this house. The suggestion is that a committee of the house should be set up to go into the whole matter of reestablishment, rehabilitation and so on, both now and after the war. I believe that we shall be faced with a grave problem following the war. The hon. member for Vancouver East a few moments ago pointed out that we

may set one group of men against another group, which would be not only wrong but deplorable and against the public interest. We must see that that does not happen; we must see that we do not divide the people of this country.

In discussing this matter let us keep clearly in mind that at the conclusion of the last war we failed to provide for the returned men, for their rehabilitation, and failed to provide for the men and women who had performed a service to industry. While to-day the men on the battle front take the greatest risks and suffer the greatest dangers and privations, let us not forget that the men who remain here tilling the soil and providing the food, and the men and women who work in the factories engaged in the production of essential munitions and supplies, render a service that is also essential to the winning of the war.

To my mind we are going about this problem in the wrong way. It cannot be tackled piecemeal. We must consider the whole picture, and when we do, we shall find that many more things will have to be done than we have yet dreamed of doing. This war, let me repeat, is in the minds of many of our people not a war in the ordinarily accepted sense of the term. It is a revolution in the best sense of the word. People throughout the world, particularly in the democratic countries, are becoming more and more determined—and this parliament must awaken to a realization of the fact—that we have to formulate a policy which will prevent our people from going back to relief lines. As the hon. member for Lake Centre has said, our young men are not encouraged to enlist voluntarily when they see other men demobilized and going on relief, or even obtaining from the unemployment insurance fund assistance which after all is limited to fifty-two weeks or the number of weeks the man has served in the armed forces. I know from correspondence I have received and the hon. member for Lake Centre says he has received, that the return of men to the relief lines here and there in the country, and, may I add, the treatment of widowed mothers who are unable to get the same provisions that wives get by way of separation allowance, have militated against recruiting.

A bill of this description is insufficient to meet the needs of the situation. We must do something in a bigger way. It is about time that this parliament told the government that we want the ablest committee that can be established to go into the whole problem of present rehabilitation and post-war reconstruction and rehabilitation. If we approach the problem with open minds we may find that we can and must do much more than is provided by this bill.

When I was in England last autumn, as other hon. members of the delegation will remember, we found many committees working on this problem of post-war reconstruction.

Mr. MACKENZIE (Vancouver Centre): Just one.

Mr. COLDWELL: They were not all government committees. The government committee was acting as a sort of clearing house for all other committees established by various organizations all over the country. We have nothing here yet comparable with that.

Mr. MACKENZIE (Vancouver Centre): Yes, we have.

Mr. COLDWELL: We have not the same sort of committees operating to the same extent—not as many and not as representative. We have a committee established by the government, and while it comprises some very fine men it consists substantially of only one type of individual—

Mr. MACKENZIE (Vancouver Centre): Oh, no.

Mr. COLDWELL: Well, to a large extent.

Mr. MACKENZIE (Vancouver Centre): Organized labour is represented, and industry, and agriculture.

Mr. COLDWELL: One man from labour.

Mr. MACKENZIE (Vancouver Centre): One out of six.

Mr. MacINNIS: Is that the proportion labour bears to the rest of the dominion?

Mr. MACKENZIE (Vancouver Centre): Would my hon. friend say that Tom Moore is not a good man to represent labour interests?

Mr. MacINNIS: Yes; I have already stated so publicly, but he is only one man in six.

Mr. COLDWELL: Does the same thing apply to agriculture?

Mr. MACKENZIE (Vancouver Centre): Agriculture has one out of six, too.

Mr. COLDWELL: Let me point out to the minister that these representatives of groups or bodies should be chosen by the body or group itself, rather than nominated by the government. If they are going to represent agriculture, let them be chosen by agriculture. If they are going to represent labour, let them be chosen by labour. Then we shall know that they are representative of those groups.

I want to say as clearly as I can that in my opinion this bill, while the principle can be approved, is utterly inadequate even to

meet the situation which it pretends to meet. I believe we should urge upon the ministers who are here this afternoon and upon the government on every possible occasion—and I am taking this opportunity now—that from the membership of this House of Commons we should appoint the ablest committee we can select in order to formulate plans for the care of the men who return from overseas or who come from the armed forces in Canada; for the care of those who are incapacitated in industry and are no longer able to serve in that field, for they are serving, too; and that we should make plans now for the post-war situation. Surely that is our responsibility. If we fail to make adequate plans, I dread to think what the conditions will be when this war ends.

Mr. HANSON (York-Sunbury): Just before the minister speaks I should like to say something, and I believe the hon. member for New Westminster (Mr. Reid) has something to say. I rise not for the purpose of discussing further the principle of this bill, but to give my earnest support to the suggestion that has been offered by the hon. member for Lake Centre (Mr. Diefenbaker) and the hon. member for Rosetown-Biggar (Mr. Coldwell). I believe this bill and all the subjects related thereto; the proposed bill with respect to land settlement, which is a rehabilitation measure; the vocational training bill, which is a rehabilitation measure, and all kindred subjects should be submitted to the best committee, to use the words of the hon. member for Rosetown-Biggar, that this house can select. Let them make a study of it. Then we shall get away from the charge of having piecemeal legislation. It will be much more than a gesture; it will show the country that the House of Commons, with the government backing it, is getting down to a real study of a problem which is bound to raise its head more and more as the war goes on and men are sent back to this country from the various armed forces. I earnestly beseech the two ministers who are guiding this measure that they withdraw this bill at the moment and have the cabinet give consideration to this suggestion over the week-end. They will get the support of every group in this house and every body of public opinion if they show that they want to meet this problem now in a wholehearted manner and try to cover the whole field, as far as it can be foreseen. That is the suggestion I make to the minister, that he withdraw this bill and send this whole question to a committee.

Mr. MACKENZIE (Vancouver Centre): There seems to be among hon. members of this house a tremendous misconception about this bill. It was never intended to be a major part or portion of the reconstruction programme. It was introduced, only at the specific request of the leader of the opposition himself, to implement an order in council which has been in effect since June, 1941. Many persons have already found employment under the provisions of the order in council. Surely no one thinks for a second that this bill could be considered as a major portion of the reestablishment provisions. It is only very, very limited in its scope. But I must correct certain observations which have been made by various hon. gentlemen. I was very much disappointed yesterday to hear the remarks of the hon. member for Weyburn (Mr. Douglas) and the hon. member for Trinity (Mr. Roebuck), both of whom displayed a complete lack of knowledge of the terms of the order in council passed by this government on October 1, 1941.

Mr. DOUGLAS (Weyburn): They are not in this bill.

Mr. MACKENZIE (Vancouver Centre): They were not intended to be in this bill; but I want to tell my hon. friend that if he studies the specific benefits conferred under that order in council, he will find that in our legislation we have gone further than any other part of the British empire or any of the allied nations in our attempt to help those serving their country in the armed forces. Instead of displaying a complete lack of knowledge of the order in council, which I personally directed to them by mail for their information in case they should miss seeing it in the *Canada Gazette;* instead of paying so much attention to some flaws—for there will always be flaws and deficiencies in pensions and reestablishment legislation—they should have some pride in what this country has done in regard to the men serving it to-day. I met the reconstruction committees in England, as did the hon. member for Rosetown-Biggar; I told them what we had done in Canada in regard to reconstruction and reestablishment proposals, and they all told me we were more advanced in Canada than they were in England or in any other part of the empire.

Look at the provisions of the order in council of October 1. Look at the provisions with regard to education; for assisting a man who is awaiting the return from his enterprise on the farm; for vocational training; for putting men back on a parity with those in insured employment; for looking after men by way of out-of-work compensation; for free medical treatment for one year. I say, and I will not hesitate to say it to those who are competent to discern, that in this dominion

we have done more in the last year for those serving their country than we did in the previous twenty-five years. Hon. gentlemen should be proud of that, instead of finding fault. Any case that comes to my attention that can be met will be met, as the hon. member for Lake Centre was kind enough to say, and I greatly appreciated his remarks. The hon. member for Weyburn mentioned a case yesterday, which only reached me after he had spoken. That case will be met. Any case that it is within my power to meet will be met and will receive the most sympathetic treatment possible. But I think at this serious time of war hon. members should be constructive in directing attention to these problems, instead of creating among those who may be considering enlisting the impression that Canada is not being generous or sympathetic or fair to the men who are going to fight the battles of freedom in the years to come.

The hon. member for Rosetown-Biggar mentioned a committee on reconstruction, and the leader of the opposition applauded his suggestion. Do you recall, Mr. Chairman, that in 1940 the Prime Minister placed upon the order paper a resolution providing for the very committee for which my hon. friend is asking. Does the hon. gentleman remember what happened? We came upon very dark days in the war; we had the tragic episode of Dunkirk, and after consultation it was decided by this house, and I think properly at that time, that we should devote all our energies to the immediate problems connected with that great disaster and with the mobilization of Canadian men for war purposes. Therefore that resolution was withdrawn from the order paper. I ask my hon. friend the leader of the opposition, as I ask the hon. member for Rosetown-Biggar: Is the situation to-day brighter than it was at the time of Dunkirk, when hon. members unanimously concurred in the withdrawal of that resolution in regard to post-war problems? I tell my hon. friends that the great thing to-day is to secure victory; otherwise we shall not have a word to say in deciding post-war problems in the Dominion of Canada. That is where our energies must be directed. If, however, the judgment of this committee is to the effect that we should have a committee such as that, I shall be very glad indeed to bring it to the attention of my right hon. leader, and to recommend it to him.

We have a committee now—a committee of six eminent Canadians. I am sorry if they are not in good odour with my hon. friends.

Mr. COLDWELL: No; that is not right; I want to correct that.

Mr. MACKENZIE (Vancouver Centre): I accept the correction, gladly.

Mr. COLDWELL: But the committee is not extensive enough, not representative enough.

Mr. MACKENZIE (Vancouver Centre): Well, let us see. The committee represents labour, in the person of the finest champion of organized labour in Canada. I refer to Mr. Tom Moore. The representative of industry is Mr. J. S. McLean. Education is represented by the principals of McGill and Queen's and the secretary-general of Montreal university. It is representative of agriculture, through a gentleman bearing a fine old Scotch name, namely Mr. Donald G. M. Mackenzie of Winnipeg. That committee has formed numerous subcommittees dealing with questions of agriculture, production and finance, and in due course their representations will be received by the government.

May I say to my hon. friend that we have gone much farther with reference to the problem of reconstruction than they have gone in England. We are in touch with organizations such as he may have visualized, including the economic section of the League of Nations and others. We have carried on the work in regard to the specific problem of the rehabilitation of soldiers.

It is my considered judgment—and I believe the committee knows where my heart lies—that once the measures to be introduced in the house have passed we shall have all the legislation necessary to look after the problem of the reestablishment of ex-service men. The administration may fall down, but the power is there; the legislation is there. There will always be things which must be corrected, but the general purpose and general purport of our legislation is not to-day approached in any part of the British empire. I defy any hon. member who knows what has happened in the other dominions to prove I am wrong in that.

So let us all work together. In years gone by we have given much attention to this problem of ex-service men. It has not been and it should not be a party question. The present bill should not be a party question. Special committees of the house have always studied measures I have introduced. It will be so with the land settlement bill.

Therefore, Mr. Chairman, I must say that I deprecate the engendering of any feeling of pessimism and defeatism in regard to the will and the purpose of this dominion, and any questioning of my honourable intentions with respect to these matters. There is no doubt as to what Canada should do for those who are now serving her. The whole resources of the nation should be mobilized to see to it that

economic security shall be the least we can assure them upon their return. Let us assure them of a condition of national vitality, and that they will not return to a devitalized homeland.

I trust that in making this explanation I have exploded the myth that the government has been somewhat hesitant with respect to legislation for ex-service men. We are doing this. It may be a slow thing, but we shall do more, and more and more as the years go by. In our effort I trust we shall receive the cooperation of all hon. members, to ensure that those who are now fighting our battles will come back to a land that will give them the best that Canada can give.

Mr. REID: Mr. Chairman, my chief purpose in rising is to ask the Minister of Labour a question, but before doing so I should like to refer to a statement made a short time ago by the hon. member for Rosetown-Biggar, a statement which has been repeated on one or two occasions. These hon. members have pointed out that the men who were doing war work in factories were just as essential to the war as others. With that I am in accord. But I think I must say that, after all, there is nothing which can take the place of the man who offers his life.

Mr. COLDWELL: I said that last night.

Mr. REID: Every hon. member has his own reason for not taking part in this war, or the last one. But I can say, as one who was in charge of making shells and guns, that I would not for one minute suggest that my work was comparable with that of the man who takes his life in his hands when he flies in the air to meet the enemy, meets him on the high seas or in the trenches. There has been the suggestion that those in this country who are earning high wages are on the same plane as those who are offering their lives. The suggestion has been repeated on one or two occasions. However, I do not believe the hon. member who repeated it a few moments ago had that in mind.

Mr. COLDWELL: I qualified it.

Mr. REID: We could not for one minute begin to offer full payment to our returned men which would be adequate for the sacrifice they are making. But we can do something, and the minister has pointed out that this measure represents but one of the first steps.

We say to the man who has left his occupation, "We will give you an insurance, of some kind, so that when you come back you will have your job." The very fact that the government has seen fit to introduce a measure of this kind seems to show that after the last war there must have been some employers who were not friendly to ex-service men. True, I know and every hon. member knows of many employers who were not favourable to the employment of ex-service men. But I would point out to the Minister of Labour that this bill will not entirely solve the problem of those who leave, and then come back.

It will bring other problems as well. I have in mind men who saw service in the last war, and who are taking the place of men who are now serving in this war. I know that representations have been made to me respecting these men. I have been asked, "Why is special privilege being given to men enlisting in the present war? Some of them saw three years' service in the last war, in France, but could not get a job; but now that they have one, we are going to take this job away from them after the war, and give it to someone who saw service in this war." I draw this point to the attention of the committee and the minister.

Someone has said that you could drive a coach and four through this legislation. Well, I am not a lawyer, but I have heard enough to believe that that could be said of almost any act on our statute books. A lawyer, if he saw fit to do so, and if his fee was large enough to prompt him to do so, could drive a coach and four through any act.

At the present time this bill is very popular, and it will remain popular as long as the war lasts. But I am wondering just how popular it will be after the war, with a certain class of employers. How popular will it be after the anxiety and excitement die down?

My question to the minister is this: Has the government considered what position this bill will occupy in the country if someone raises the point that it is not constitutional for the dominion government to impose this legislation upon the provinces? Personally I want employers to be placed in a position where they will be compelled to take the men back, if they are not willing to take them back voluntarily.

But I have heard arguments about old age pensions and other acts being unconstitutional, and ultra vires of the dominion government. I am wondering if the Minister of Labour has considered that point of view, and if he has placed safeguards in the bill, so that no one may raise a constitutional question. No doubt other hon. members have heard constitutional questions raised, but we do not want that to happen with legislation of this kind.

Mr. MITCHELL: That thought was in our minds when the bill was drafted. If the hon. member will turn to the preamble he will find these words:

And whereas it is deemed expedient for the security, defence, peace, order and welfare of Canada that provision should be made for the orderly reinstatement in their previous employment of such persons aforesaid.

These words were incorporated in the preamble to take care of the point raised by the hon. member for New Westminster.

Mr. REID: I am glad that has been done, because it may pave the way for further social legislation.

Mr. COLDWELL: I should like to address a few brief remarks to the Minister of Pensions and National Health. I hope he does not misunderstand the temper of those of us who are discussing this matter.

Mr. MACKENZIE (Vancouver Centre): No.

Mr. COLDWELL: He spoke with considerable heat just now. I want to assure him that so far as we are concerned we want to give every cooperation we can to the solution of these problems. We are not discussing them from a partisan point of view at all. I do not care who gets the credit for doing some of these things that need to be done; I just want to express my opinion as strongly as I can that certain things should be done.

I agree with the hon. member for New Westminster that the men who are in the line, on the sea or who fly, are subject not only to many dangers but to a mental strain that few of us realize. I shall not forget the night we spent at a bomber station. You will remember it quite well, Mr. Chairman. I can still see the strained look on the faces of those young men who were flying over Germany night after night. Many of those boys will come back unable to cope immediately with civilian life, and we want plans prepared to deal with every situation that may arise.

The minister said a few moments ago that we were doing more in Canada than was being done in any part of the British empire. I am not going to dispute that statement. I was just a little bit disappointed with what I found in Great Britain in that regard. I am just going to make that statement and go no further. I think I know the reason why, but I shall not discuss it. I do not want to see our country, no matter what may happen in other parts of the commonwealth, fail to prepare for this post-war condition. I warmly support the hon. member for Lake Centre (Mr. Diefenbaker), the leader of the opposition (Mr. Hanson), the hon. member for Essex East (Mr. Martin), and others who with us have urged—

Mr. HANSON (York-Sunbury): The hon. member for Davenport (Mr. MacNicol) suggested it first—

Mr. COLDWELL: —upon the government the establishment of a committee to study the situation and prepare for the post-war condition. This is not showing a want of confidence in what is being done now; it is simply that we want to feel that we are doing our part in making these preparations for the circumstances that will arise hereafter.

Mr. HANSON (York-Sunbury): I just want a moment to deal with the constitutional point which has been raised. I had it on the tip of my tongue to raise this yesterday, but I did not want to interject into this discussion a question which might be deemed to be outside the purview of the intent of the bill.

I should like to point out to the minister certain decisions of the Supreme Court of Canada, and especially of the privy council, on this question of the use of the powers under the British North America Act in connection with peace, order and good government. What is the pith and substance of the legislation? That, in the final analysis, is the criterion which the privy council has applied to legislation of this kind. In war time there is no question that this legislation is constitutional, but having regard to the decisions that have been made as to the conferring of legislative powers upon the federal parliament under that general clause of the constitution, which I think is right and properly used in given cases, the fact remains that the decisions of the privy council have narrowed and whittled them down until they could not be applied. We found that out in connection with the legislation for the so-called new deal. I may tell my hon. friend that some of those decisions were a great shock to me. I redrafted the preambles of two or three of those measures to strengthen if possible in the recitals the legislative jurisdiction under the peace, order and good government clauses of the constitution. I thought we had gone the whole limit and that we were on entirely safe ground, only to find out that notwithstanding the magnificent judgment of the chief justice of this country, the privy council had narrowed the viewpoint down to the old pith and substance principle. My hon. friend may find that that may happen here. I hope that will not be the case. If the ministry is going on with this bill I hope no one will attack it after the war on the grounds of constitutionality. I agree with the justice of this bill, but I am just pointing out a possible danger.

Mr. MACKENZIE (Vancouver Centre): May I be allowed to inform my hon. friend

that we did take this up definitely with the Department of Justice. I had some reservations in connection with the point he mentions. The opinion of the department reads in part as follows:

Matters relating to employment are, as you suggest, ordinarily provincial, and fall to be regulated by provincial legislation. The bill under consideration, however, relates primarily to the military forces; conferring rights upon the members thereof and imposing obligations, enforceable by criminal proceedings, on those persons who employed them at the time of enlistment. The bill requires employers to reinstate former employees who have served in the military forces and have been honourably discharged therefrom. The pith and substance of the proposal is, as is stated in the preamble, to relieve persons who have left employment to enlist of any cause for concern in regard to their reinstatement in employment, and that there should be uniformity of treatment in the matter of such reinstatement.

Parliament has exclusive power to legislate in relation to militia, military and naval service and defence and in relation to the criminal law. The bill would appear to me to constitute a valid exercise of these powers, but, in any event, can readily be supported as an exercise of emergency power to legislate for the peace, order and good government of Canada, and is consequently valid, even though constituting an invasion of the provincial field.

Mr. MARSHALL: As I listened to the remarks of the Minister of Pensions and National Health a few moments ago, I wondered whether we should place this baby on his doorstep or on the doorstep of the Minister of Labour. After hearing his remarks I am satisfied that he is the father of the bill; consequently I shall direct my remarks to him.

Mr. MACKENZIE (Vancouver Centre): That is not correct.

Mr. MacNICOL: You are not disowning the baby, are you?

Mr. MARSHALL: When the bill received second reading yesterday we in this corner of the house consented to its passing, thereby placing our stamp of approval upon the proposals embodied in it. The Minister of Pensions and National Health has stated time and time again that the proposals embodied in this measure are only a small part of a large general scheme which has been formulated or which is in the process of being formulated to take care of the problems of the post-war period. The Minister of Labour concurred entirely in the views expressed by the Minister of Pensions and National Health.

For a minute or two I should like to examine this planning for the post-war period, which after all is exactly what we are doing. To-day under the strain and stress of war we are apt to allow ourselves to be carried away by high-sounding phrases. We have had ample evidence of that within the last two or three weeks during the victory loan campaign.

Planning for the post-war period sounds well, but it has sinister implications. Yesterday we heard a violent diatribe from the member for Parry Sound (Mr. Slaght), who in effect accused those of us who sit on the opposition benches of using tactics tending to delay and hinder the war effort, and suggested that such an innocent and inoffensive measure as the one which we are now discussing should be passed without delay. "Let us get on with the war," he shouted. I should like to tell the hon. member that he should direct that warning to the leader of his own party. We have a right, I believe, to scrutinize any measure and every bill with meticulous care to see whether or not it will solve in its entirety or solve only partly the problems with which it deals. The expression "planning for the post-war period" has much the same meaning as if I were to use the expression to my room-mate, the member for Macleod (Mr. Hansell), "I am laying plans for next year." If I were to repeat that to him a sufficient number of times I am satisfied that very soon he would ask me something like this, "What are you planning to do? What objective have you in mind?" When an engineer is going to build a bridge or a painter is going to paint a picture, or when I am going to build a house, each of us has an objective or goal and each of us prepares his plans with this specific goal or objective constantly before him. Hitler and the German nation have a goal or objective towards which they are relentlessly driving. Their plans have been carefully and thoroughly made to enable them to reach their objective. That objective I believe is the complete annihilation of the British empire. The taking of Norway, Belgium, Holland and France were just small bits and pieces of their general plan.

The Japanese to-day have an objective or goal, which seems to be the domination of the Pacific, and ruthlessly they are driving towards that objective. The destruction of Pearl Harbour, the fall of Singapore, Hong Kong and Java are only bits and pieces of their entire general plan, not for the post-war period, but for the war period. But "the best laid schemes o' mice and men gang aft a-gley," as Bobbie Burns says.

Now look at this question from the point of view of the allies. The allies thus far have not yet fixed their goal or objective, and in consequence they have no definite plan.

Mr. MacNICOL: Did they not do it in the Atlantic charter?

Mr. MARSHALL: I do not believe so, and if the hon. member will wait a moment I shall enlarge upon what I have just said. The allies are being kept too busy withstanding the onrushing hordes of barbarians. The point I wish to emphasize and drive home is that the essence of a plan is that it is a means to an end and not an end in itself. A plan presupposes an objective, an objective which has already been decided upon. The planning of the Minister of Labour (Mr. Mitchell) reminds me of the common expression: "We don't know where we're going but we're on our way."

Mr. MITCHELL: I agree with my hon. friend that he does not know where he is going but he is on his way.

Mr. MARSHALL: Then we are in the same boat, but I think the minister is worse off than I am.

Mr. MITCHELL: I should like to know, Mr. Chairman, what strategy in the Pacific has to do with this bill?

Mr. MARSHALL: If the hon. gentleman will wait a moment I shall show him what it has to do with this bill. Considerable latitude, Mr. Chairman, has been allowed in the discussion so far and I do not see why I should not be allowed to develop my point.

Press reports tell us that the cabinet has set up a special subcommittee within itself to form plans for the post-war period. The time has come when the government must tell us what our objective or goal is in relation to the post-war period. What do you aim at with these various bills that you propose to bring in? What is the objective? What is the goal? Having settled upon the question of the objective, we should then be given a broad outline of the general principles of the means by which the government proposes to reach that objective. Surely a subcommittee of the cabinet composed entirely of Liberals should not have a complete monopoly of the formulation of the plans for the post-war period. If we are to continue as a united nation we must be taken into the confidence of the government in respect to its plans. Until this is done we cannot conscientiously give our assent to a plan which is being presented to us in bits and pieces. By giving our assent to this bill we are blindly endorsing something which might perhaps in the general scheme of things be dangerous and detrimental to the welfare and future happiness of the people of this country and to the men in the fighting forces. We might wake up some fine morning to realize that we had been gradually eased into state capitalism, so cunningly called socialism. There is a sinister movement on foot to-day to bring about a union of nations in which these nations would lose some of their rights, with the government centred in a body having at its back an international police force to force its will upon any nation. Is this what we are heading for? If it is, then these plans which are being introduced in bits and pieces should be definitely halted until we can get the whole picture in its true perspective.

The Minister of Pensions and National Health made a speech in Toronto on August 27 of last year. On that occasion he dealt with the proposals embodied in this bill. He said:

> The first essential is to provide adequate employment opportunities for our returning service men and those who are no longer required in the munition factories of the nation.

With this sentiment I entirely agree. But he also said:

> Collective security would be based upon collective force and collective preparedness and not upon collective idealism.

Further along in the same speech he said:

> Reconstruction plans must be coordinated with those in the United States and other portions of the empire.

Then again:

> The standard of living that is low in some nations should be universalized and maintained by a real league of nations or a freedom area which shall be the guardian of the liberties and comforts of mankind.

Now that we are embarking on broad plans, before we proceed any further with those plans I think I have a right to know, parliament has a right to know, the people of Canada have a right to know, what the minister meant. How far have we gone towards the consummation of the ideas which he expressed on that occasion? What does he mean by collective force? How far has the subcommittee of the cabinet gone in its plans of coordination with the United States and the British empire? I wonder what significance would be attached to the expression when the minister places the United States before the British empire.

An hon. MEMBER: Is that in the bill?

Mr. MARSHALL: No, but I think it is relevant to the bill. What does he mean when he says the standard of living must be universalized and maintained by a real league of nations? We must have an explanation from him, and I should be glad if at this time he would give me an explanation.

I suggest that we must drag these planners and their plans right out into the open. We must know, and the Minister of Pensions and National Health must tell us, what is

going on behind the scenes. We must know if these things as set forth in this speech of his are the objective or the goal towards which we are striving. If they are, that declaration should be made on the floor of the House of Commons instead of on a public platform somewhere in Toronto.

We must first declare positively and in no uncertain terms what our objective or goal is with respect to post-war rehabilitation; secondly, having decided upon our objective—and that in my opinion is the main thing—we must formulate plans, and not until then; and thirdly, we should then employ experts to carry out these plans, freed from the fettering influences of bureaucracy. Until this is done, all talk of democracy is idle and futile, and all plans must be relegated to the waste-paper basket where they rightfully belong.

Mr. DOUGLAS (Weyburn): I wish to ask the minister a question, but I might make an observation with regard to his recent outburst. I think the Minister of Pensions and National Health totally misunderstood the mind of the house, because I am sure there was no wish on the part of members in this corner to find fault with him or to cast aspersions on the conduct of his department with reference to returned men.

Mr. MACKENZIE (Vancouver Centre): May I make an explanation? I think my hon. friend said yesterday that nothing had been done for two years until 1941. Here I have the complete file of orders in council—a bulky file it is—of the actual attempts made to meet the problem before the time my hon. friend suggests.

Mr. DOUGLAS (Weyburn): Yes, but the really effective work has been done by the minister's department under P.C. 7633—which was not passed until October 1, two years after we entered the war—and subsequent amendments.

Mr. MACKENZIE (Vancouver Centre): But much was done before then.

Mr. DOUGLAS (Weyburn): But not the effective work that is being done now. What was done left much to be desired, as the minister must agree. The hon. member for Cape Breton South (Mr. Gillis) said last night what was in the minds of most of us. We have always found the minister not only courteous and prompt in any matters referred to him, but one of the most sympathetic ministers in the cabinet in dealing with returned soldiers' problems. I do not want him to get the wrong impression. But I would say to the minister that when hon. members, whether on the government or on the opposition side, are trying to present a point of view, it does not help for any of us to get up and blow off steam. Impassioned speeches will not solve this problem.

The minister is not fair when he says hon. members have spoken with complete lack of knowledge of the orders in council. Hon. members who spoke from this corner were perfectly familiar with the orders in council to which the minister referred. What the minister did not understand was that we were pointing out, not that these things had not been taken care of in orders in council, but that the provisions were not in this bill. The minister says that no one in the government said they were. That is true. But what we are contending is that we should have legislation. These orders in council are passed under the annual War Appropriations Act, but they are not permanent legislation. We ought to have permanent legislation covering the whole field, both the immediate situation and the post-war situation. I think on reflection the minister himself will agree with that point of view. What is going to happen if something is not done now to centralize this whole problem is that after the war it will be split up among many different departments, and the average man is going to get what the soldier calls "the run-around". We are getting it to some extent now. We have, for instance, a soldier settlement board under the Minister of Pensions and National Health, vocational training under the Minister of Labour—

Mr. MACKENZIE (Vancouver Centre): It is under my control and that of the Minister of Mines and Resources.

Mr. DOUGLAS (Weyburn): —and something else under the Minister of National War Services. The result is that men often do not know under which department a particular matter comes. I should like to see this whole question of rehabilitation put under the Minister of Pensions and National Health, or under a separate department or commission or some specific body, not scattered over half a dozen departments and so requiring a coordinating committee to hook them up. Every hon. member knows what it means when a particular matter is split up among departments; we run from one branch to another and from one department to another.

I still think that the suggestion made by other hon. members and by myself could be carried out. These measures having to do with rehabilitation should be referred to a committee. Provision is already on the order paper for two committees, one for vocational training and one for soldier settlement. These committees could be lumped

together, probably enlarged to forty-five or fifty members and then broken up into subcommittees to deal with vocational training and resettlement under 7633. The subcommittees could come together for general discussion, and all legislation dealing with related matters could be referred to them. The whole picture would then be presented. The objection is not that the government has ever said that this bill is all-inclusive, but that we have not had anything that is all-inclusive.

What machinery does the government propose to set up under this bill to make it operative? I said yesterday that this bill is an empty gesture, and the Minister of Labour said that was not fair. But I ask the minister to look at it. I am not a lawyer, but I cannot find anything in the bill providing for the setting up of the administration to make it operative. I asked yesterday across the floor what a man who finds that his former employer will not reemploy him does to make this bill operative.

An hon. MEMBER: He goes to the placement officer.

Mr. DOUGLAS (Weyburn): The placement officer operates under the Unemployment Insurance Act. So far as I can see, this bill does not envisage any machinery for carrying out its purposes.

Mr. MARTIN: He goes to the crown attorney.

Mr. DOUGLAS (Weyburn): It does not even say under what department or what minister it will operate. What will be the procedure by which a man wishing to avail himself of the benefits of this legislation can do so? To whom will he go? Does he have to lay a charge before the attorney general?

Mr. MARTIN: The crown attorney.

Mr. DOUGLAS (Weyburn): Unless we have a statement as to the machinery that will be set up and how it will operate, this bill will be just a dead letter. It can be worth something, and that is why we want the minister to give some content to it.

Mr. MACKENZIE (Vancouver Centre): Under section 11 of the bill some contingent powers are provided. The department over which I preside has administered the order in council since last June and has not had the slightest difficulty. Our welfare officers all over Canada are instructed that if any cases of complaint come to them of an employer or municipality or school board refusing to reinstate an ex-service man, immediate action shall be taken. A case came to my attention yesterday afternoon, and that will be dealt with. There is no necessity to report to any legal tribunal. We will take the necessary action.

Mr. DOUGLAS (Weyburn): If we had had that explanation earlier it would have cleared the point up. But the bill does not say it will be operated by the minister's department.

Mr. MACKENZIE (Vancouver Centre): It was in the past.

Mr. DOUGLAS (Weyburn): As I understand the set-up now under order in council P.C. 4758, the Minister of Pensions and National Health is directly chargeable, but this bill does not say so.

Mr. MITCHELL: The bill is to be discussed clause by clause. This would come under the last clause, and I shall be prepared to answer at that time.

Mr. MacNICOL: The short title indicates that this bill relates to returned soldiers and their reinstatement in civil employment. I think the minister should make a comprehensive statement on this clause. I pointed out the other day, from experience following the last war, that returned soldiers will not all be reinstated in industry. Some will; a large number may not. I hoped that the minister would tell us just what is going to be done, because the bill does not tell it. Some hon. member this afternoon pointed out something that is very clear to me now, but I did not think of it before—that a large number of returned soldiers from the last war are at present employed in industries. I know many myself, hundreds, perhaps; many of those men might be displaced by men coming back who have to be provided with work similar to that in which they were engaged before they enlisted. Neither the minister nor anyone else wants returned soldiers of the first world war to be displaced. There should be some provision to take care of those men.

To-day the hon. member for Lake Centre made an excellent suggestion; I had made it myself on Wednesday last. In the United States they are setting up a research committee or board which I take it would correspond with what the hon. member has in mind. It is imperative that some board or committee, either of this house or outside, men qualified to deal with industrial employment, should be set up to discuss and present to the minister a plan under which returned men can be reemployed. On Wednesday last I said, as reported at page 1037 of *Hansard:*

> I suggest that the minister set up a committee. I shall be glad to serve on any research committee free of charge in connection with the job of providing jobs. The munitions plants should be kept going if at all possible.

In the United States part of the work of the research committee now operating there is to compile thousands upon thousands of things which can be made in those plants that will cease operating when the war ends. Then I went on:

I suggest, therefore, that some research board or committee be put into operation to look for opportunities to keep these plants going, which ordinarily will cease production at the end of the war and consequently throw men on the streets.

In a word, it seems to me very clear that one of two or three things must be done in the interim or transition period, from the time the men return until they are absorbed into industry, either in their old plants, which must take place within three months, or in the making of new lines in the present large munition plants. In the first place they might be kept enrolled in the services under pay and allowances, if that is the correct military term, or at any rate maintained until they have something to do. I would not limit the period to three months, for I remember very well what happened after the last war when the men came back to the plant in which I had the great privilege of serving. Many of them were not able to go back to the plant in three, four or six months. It was not that all had been wounded; the nerves of many had been so wrought up by shot and shell that they were not able to steady themselves sufficiently to return to work. But in due course they came back, and I believe they were all reestablished, in the plant with which I was associated. So there is an interim period for which provision must be made, for I hope and pray that they will not be allowed to wander about the streets with nothing to sustain them.

In the second place I said the other day, and I repeat now, that there are countless thousands of jobs that can be provided by the government covering the interim period, in connection with works that will be self-liquidating. Someone said the other day that this could not be done, but I have had a great deal of experience in these matters and I know it can be done. These works can be paid for, and I know that in the last analysis they will not cost the country anything. Above all, no matter what it costs, it is essential that these returned soldiers be employed either by the government or by industry, or else be maintained with pay and allowances. I had hoped that before this section passed, the minister might tell us something about just how the interim or transition period is going to be dealt with.

Mr. MACKENZIE (Vancouver Centre): Was my hon. friend in his seat when I spoke previously this afternoon?

[Mr. MacNicol.]

Mr. MacNICOL: Yes, I was, and I appreciated very much what the minister said.

Mr. MACKENZIE (Vancouver Centre): Later in the session I had intended to go comprehensively into the discussions we have been having—they are only discussions so far—exactly in reference to the point now raised by my hon. friend. The estimate of very prominent men in industry to-day is that 40 per cent of those now working in war industries will be displaced when peace comes again. Therefore in my judgment it is the primary duty of any government to lay plans to see that provision is made for the care of these men during that transition period, which is exactly the point raised by my hon. friend, as I followed him. Just as we transferred from a peace-time to a war-time industry, with all the organization necessary to complete that process, so I think we should have control boards in every industry of Canada to start now, or in the very near future, to prepare plans for the reorganiaztion back from war-time to peace-time industry. Later on I hope to expand on that theory, but I thought this bill was a very minor piece of legislation, and I was not prepared to deal with that matter in a comprehensive way.

Mr. BLACKMORE: Probably a word or two still needs to be said before we leave this stage of the bill. A wide latitude has been allowed in this discussion, and I think rightly so. We are just beginning to confront the real problem that is going to face us, and there should be a good deal of frank and unimpassioned discussion among hon. members, with the object of trying to find a solution.

During the discussion a good deal has been said concerning a new order. Last spring we had the Prime Minister, I believe, speaking of a "new heaven and a new earth." Last night I listened to the hon. member for Danforth (Mr. Harris) talking about a new order. I listened closely, to try to find out what he had in mind regarding the new order, but I was not at all satisfied. I am afraid that this good man, for whom I have a great deal of respect, represents in his uncertainty a very large cross-section of Canadian public opinion. Let me draw to the attention of the minister something which I am sure he does not need to have drawn to his attention; the fact that we cannot have a new order by just talking about it. First you have to know what you mean by your new order, and then you must devise means by which you can achieve that new order. I wish the Prime Minister had taken a little more trouble to tell us, and perhaps he may do so yet, what he conceives to be the new order. In a way we in the west were all built up over his "new

order" speech. Then, as I recall it, he spoke in Edmonton and quite dashed our hopes, for there he gave us to understand that all that was in his mind was the unemployment insurance bill, and that was a terrible let-down.

With respect to this new order the ministers have in mind, I wonder whether this measure, together with half a dozen others that are proposed to be introduced, constitute what they regard as the new order. If that is so, I wonder in what respect the new order is going to differ from the old order that ruined us during the twenty years following the last war. Once they have determined what really the new order is to be, I wish one of the ministers would give us some inkling as to how this new order is to be brought about and how it is to be maintained.

I should like to say just a word or two about the bill before I discuss further what I have suggested in my remarks thus far. I am inclined to agree with the hon. member for Weyburn (Mr. Douglas) and the hon. member for Trinity (Mr. Roebuck) that this bill is simply a gesture, and a very empty gesture—a very hollow reed upon which the men will break and fall as soon as they begin to lean upon it.

The hon. member for Parry Sound (Mr. Slaght) seemed to be indignant last night because some of us had criticized the bill. The idea conveyed by his remarks and, I am afraid, by those of the Minister of Pensions and National Health, seemed to be that by criticizing this bill we are going to destroy the boys' confidence in the bill.

Mr. MACKENZIE (Vancouver Centre): No.

Mr. BLACKMORE: I am glad the minister negates that. No words which could be uttered in the house would disillusion the boys any more than they are already disillusioned. If anyone imagines that the bright, clear-minded, upstanding, fact-facing young men who are to-day in our army are deceived by all the mummery we are going through in this chamber, then he ought to get in contact with a few of them. Just spend a day in the smoking car on any railway train. The ministers ought to remember that members of the air force in Canada have to pass a rather rigid educational test before they can become members of that force. The boys are using that education in thinking out what is going to happen in the future. Things like this bill are simply nauseating to them.

All a man needs to do is to use the illustration which a fine young schoolteacher now in the air force used in my presence. He said, "in the school from which I came, already two former teachers have enlisted; I am the third one. When the time comes to give us back the job, which of the three of us is going to get it—or is the man who has gone in after me, going to get it?" That is enough to illustrate how trashy and flimsy is the bill. I do not wish to be unkind, but it is flimsy. As the leader of the opposition has said, it is altogether too easy for an employer to excuse himself—

Mr. MACKENZIE (Vancouver Centre): Mr. Chairman, I rise to a point of order. If I heard him rightly, the hon. member used the words "trashy and flimsy".

Mr. BLACKMORE: You heard me aright.

Mr. MACKENZIE (Vancouver Centre): I suggest to my hon. friend that the genesis of this bill was a resolution submitted to the government on September 1, 1939, and resubmitted in March, 1940, by the Canadian Legion, representing the organized ex-service men in Canada.

Mr. BLACKMORE: What is the point of order?

Mr. MACKENZIE (Vancouver Centre): That these epithets as applied to this legislation are uncalled for and unjustified. The recommendation of the legion was as follows:

> Statutory provision that every man enlisting shall on his return from service, if not incapacitated for his former occupation, be entitled as of right to reinstatement in his original employment if still existing, with the same rights and seniority as when he enlisted, with appropriate penalties, including compensation, if he is discharged without cause, say within three years after reengagement.

We have carried out exactly the request of the organized ex-service men of the Dominion of Canada.

Mr. BLACKMORE: All that has been done in this bill is that an attempt has been made to carry out that request. Those men were not recommending the bill before us; they were recommending a principle.

Mr. MITCHELL: Would you say the British bill is trashy—or the Australian bill, or the New Zealand bill?

Mr. BLACKMORE: We are not discussing the Australian bill.

Mr. MITCHELL: It is the same thing.

Mr. BLACKMORE: I have plenty to occupy my time, by devoting my attention only to our Canadian bills.

Mr. MACKENZIE (Vancouver Centre): It is the same thing.

Mr. BLACKMORE: I have not had a chance to get the wording of the Australian

or the British bill; I may do so later on. I am merely giving my views in reference to this bill.

Mr. HANSELL: He did not say it was trashy, either; he said it was flimsy.

Mr. MACKENZIE (Vancouver Centre): He said it was trashy, too. I think I heard him rightly. I will withdraw immediately, if I am wrong.

Mr. HANSON (York-Sunbury): He admits "flimsy" but not "trashy".

Mr. BLACKMORE: It is altogether too easy for an employer to escape responsibility under this bill. That will be found just as soon as the men begin to have recourse to it, in any considerable numbers.

I wish to say a word or two about the new order concerning which there has been some talk. This is one of the high-sounding phrases being used throughout the country, not only in Canada but in the United States.

The ACTING CHAIRMAN (Mr. Fournier, Hull): May I interrupt the hon. member? Great latitude has been given in the discussion of section 1 of the bill, but I suggest that such latitude should bear some relation to the subject matter of the bill. I cannot see where a discussion of any new order or new system has any relation to the bill, and I would ask the hon. member to direct his remarks to the subject matter before the committee.

Mr. HANSON (York-Sunbury): I agree with that. I was peremptorily called to order by the Deputy Speaker, and I was wondering how long this was going to continue.

The ACTING CHAIRMAN (Mr. Fournier, Hull): I think this is the end of it.

Mr. BLACKMORE: I have been sitting here all afternoon expecting that the minute I began to talk about anything real I would be ruled out of order. This is no reflection on yourself, Mr. Chairman.

The ACTING CHAIRMAN (Mr. Fournier, Hull): I would ask the hon. member not to cast reflections on the Chair; I believe I have been tolerant.

Mr. BLACKMORE: I do not reflect upon you; I suspect others would have done just the same. But this is an all-important question which must be asked, not only regarding this bill but regarding every measure which is proposed. How are you going to do it? Where are you going to get the money to do it?

Mr. MacNICOL: Where we are getting it to fight the war.

Mr. BLACKMORE: Someone says that we shall get it from the same source from which we are getting it to fight the war. Were we using that source during the dreadful years of the depression? No; of course not. We could not use that source even to prepare ourselves effectively to fight a potential enemy. The Minister of Pensions and National Health knows the truth of that statement.

Mr. MACKENZIE (Vancouver Centre): No one knows better.

Mr. BLACKMORE: No one in Canada has suffered more because of that than this same minister.

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

Mr. BLACKMORE: Gladly.

Mr. McNEVIN: Would he care to tax that $25 a month?

The ACTING CHAIRMAN (Mr. Fournier, Hull): Order. The question was out of order, and I am sure the answer would be out of order, too.

Mr. BLACKMORE: At present the money with which this war is being fought is being borrowed. I believe it is proposed that we are to borrow $900,000,000 in the present loan. Let me ask any hon. member if he supposes that a proposal to raise a similar amount of money would receive any consideration, if the war were to come to a close?

Mr. MACKENZIE (Vancouver Centre): What was the hon. member's question?

Mr. BLACKMORE: Let us suppose that we have finished the second war, and that we are a year beyond it. Let us suppose that we are endeavouring to pay the interest on the colossal debt we are now amassing. Would a loan like this be considered for a moment to care for essential services? No.

Mr. MACKENZIE (Vancouver Centre): Am I supposed to answer that question?

Mr. BLACKMORE: Yes.

Mr. MACKENZIE (Vancouver Centre): I can only express my personal opinion. I am not speaking for the government at all, but I believe that after this conflict has been concluded, the people of the Dominion of Canada will insist upon obtaining the necessary finances for social security as they are now obtained for war purposes.

Mr. BLACKMORE: I am glad to hear that, but I ask the minister if he believes that the people of Canada will insist on lending the money with which to do it?

Mr. HANSELL: Will the minister insist that the government get the money?

Mr. MACKENZIE (Vancouver Centre): I cannot deal with a hypothetical or contingent question as to what the people of Canada may decide to do. The people of Canada are always in control of whatever government may be in office. They will decide that according to their sound judgment, as is evidenced by the formation of this parliament.

Mr. BLACKMORE: The same general principle will apply to this bill. If a government coming in after this government sees fit to sabotage this bill, it will be sabotaged.

Mr. MITCHELL: That is not fair.

Mr. MACKENZIE (Vancouver Centre): There is no foundation for that.

Mr. BLACKMORE: We will just leave that aside. Considering the main motion, let us keep in mind that the great sums of money which the government is able to collect to-day by way of taxes and loans are in a large measure the result of huge expenditures by the government, which expenditures have resulted in a greatly increased national income. As soon as the war is over and government expenditures on their present scale cease—and according to the minister's own speech which I have read and regarding which I should like to commend him for its beauty—these expenditures absorb forty per cent of the production of Canada—the national income of Canada will fall off at such an astonishing and disconcerting rate that it will be impossible to get the money. I hope I am not being gloomy in my forecast, but I lived through the last war as did the minister. We can judge what is likely to come in the future only by what has happened in the past. With respect to where the money could come from, I am not free to discuss that at the moment. If I said anything about that, I would be ruled out of order immediately.

Mr. GRANT: You are out of order already.

Mr. BLACKMORE: That is a brilliant remark. We must face the fact that the money must come from somewhere. Unless some provision is made for a source of income other than the one which we now have in sight under our orthodox system, namely borrowing and taxation, this and other measures will be simply impossible. I have in my hand the order in council which has been discussed lately, and the small sheet which has been distributed to hon. members, the Department of Pensions and National Health information leaflet. I have, too, the post-discharge reestablishment order. If the wastage of this war is anything comparable with that of the last, the total amount needed to meet the promises in these two documents will be simply staggering. These promises are not worth the paper they are written on unless we have some means of rendering financially possible what is physically possible in Canada. I think I have said all that I rose to say on this aspect of the question. I hope the members of this house and the people of this country will ask this inflexible question every time a proposal is made: How are you going to do it, and where is the money coming from? Until you can answer those questions, it is idle to talk about what is to happen.

An hon. MEMBER: You ought to know.

Mr. BLACKMORE: I think I know where the money could come from, but I do not think my hon. friend knows.

I am going to make one short reference to the committee which has been set up to examine into ways and means. In his speech the minister has said that economists and scholars are at work. I am not very much impressed with the knowledge or ability of those economists and scholars. There are two groups in this house that represent some sort of an approach to the new order. At least they have some new ideas. However, neither group is represented on this committee, nor is there anyone on the committee who knows what these groups know. If the recommendation of the hon. member for Lake Centre (Mr. Diefenbaker) and the leader of the opposition (Mr. Hanson) is to be taken in good faith and executed with sincerity, surely anyone who has a new idea as to how a new economic system might be brought about ought to be invited in.

Mr. MARTIN: Would the hon. member include Principal Wallace of Queens university?

Mr. BLACKMORE: I should like to know something about what Principal Wallace knows. I would say with all respect to Principal Wallace and gentlemen in his position that they are bound hand and foot. They dare not say what is in their minds because they know that there are university chancellors whose opinions may not agree with theirs.

Mr. MARTIN: Does the hon. gentleman know Principal Wallace?

Mr. BLACKMORE: I am not saying anything about Principal Wallace except that if he expressed ideas which did not agree with

those of the chancellor of Queens, in all probability he would soon cease to be Principal Wallace. All one has to do is to consider what happened in another great university in Canada within the last ten years. But we will leave that aside. If the minister is going to play fair with the people of Canada with respect to this committee; if he is going to play fair with the millions of young people who are rising in this country; if he is going to maintain respect for himself and his committee, he must bring in men with new vision, men who are ready to try something new. I shall reserve what else I have to say for a later occasion.

Mr. BOUCHER: I should like to refer to two aspects of this bill. The bill is predicated upon the employer having a duty to take back his employee, and that limits its scope. It might be enlarged if it were predicated upon the industry or the enterprise.

Mr. MITCHELL: What section is the hon. gentleman talking about?

Mr. BOUCHER: I was referring particularly to section 2.

Mr. MITCHELL: Why not discuss that when we get to the section?

Mr. BOUCHER: What I have to say really refers to the whole bill. The onus is on the employer to take back his employee, and there is only one possible employer whom the bill will affect—the one who is not nobly doing his part by the returned soldier, and whose attitude is abhorrent to the Canadian people. Taking in as it does the body corporate or politic, the bill refers to kinds of enterprises, but only so far as the management of the business is concerned, not the business itself. Reference should be made in the bill to the actual enterprise or business which the man left to enter the armed forces, so that it will be the duty of that enterprise, as best it can, to take the man back into employment, even though the personnel governing the enterprise may have changed.

With respect to enforcement, the type of case that will come up for prosecution under this enactment will be that of an employer who does not show the right spirit in the matter of assistance and support for the returned soldier, and fails to do his duty as a Canadian citizen, thus compelling the soldier to have recourse to the courts. A measure of this kind should be administered by the government along the lines of the fair wage legislation. In every large community at least the government should appoint a man who would investigate these cases and institute prosecutions. It should not be left to the individual soldier to do so, at his own expense, and perhaps to his own ignominy. The returned soldier should not have to hale his employer into court at his own cost. The government should go a lot farther in that regard. I trust that these two points will be taken into consideration in enlarging the scope of the bill for the very purpose for which it has been introduced.

Mr. MACKENZIE (Vancouver Centre): By order in council the Department of Pensions and National Health has always taken the responsibility of bringing prosecutions where prosecution was necessary. The onus was not on the individual in any case.

Mr. CASTLEDEN: I think sufficient has been said on this bill to let those who are responsible for it know that there is something very seriously wrong with it. We agree with it in principle, but the objection is that the bill does not carry out the principle which is professed in the preamble. The bill is not progressive enough. It places the onus upon industry to provide work for the returning men, and industry will not provide work unless there is profit. Industry as it is organized in this country has failed to do so in the past. We are not forgetting that there were over one million unemployed in Canada and over a million on relief at a time when industry should have been employed in providing goods and services which were needed, and in the production of which man-power was essential. But industry is not concerned about the welfare of humanity.

Mr. MacNICOL: That is altogether an unrighteous statement.

Mr. MACKENZIE (Vancouver Centre): Humanity and industry are inseparable.

Mr. CASTLEDEN: Industry and humanity, I say, are very separable. Industry was not much concerned about the unemployed that we had in Canada for a period of ten years.

Mr. MacNICOL: The hon. member does not know what he is talking about.

Mr. CASTLEDEN: Is that so? I have seen men go without work and our people in need of food, clothing and shelter, when industry would not turn its wheels, and when industry should have been operating to provide those needs if it had any interest in the welfare of the people. That old set-up has failed. Industry refuses to operate unless there are profits.

Mr. PURDY: What did my hon. friend do for industry?

Mr. CASTLEDEN: If you want to make your little speech go right ahead. I am talking of what I saw of unemployed people in this country.

Mr. PURDY: What did you do to provide work for those who were unemployed?

Mr. MacNICOL: Did you ever give a man a job?

Mr. CASTLEDEN: I have found it hard enough to find a little job for myself. But I know that there were a million unemployed people in this country. This bill is just like trying to put a patch on an old worn-out tire. The bill provides that after the returned soldiers have forced their former employers to give them work, the employers must keep them in work for six months. What happens after that? We do not know. There is no question that the reestablishment and rehabilitation of the returning men is most important, but I want to tell the administration and those who are responsible for this bill that the working men and soldiers of Canada do not want a reestablishment of the old set-up that they had in Canada a few years ago. The right of every man to exchange his labour for a decent living must be recognized.

Mr. MacNICOL: I agree with that.

Mr. CASTLEDEN: But that right has not been recognized in the past, and unless we do something to see that the men shall have that opportunity—and this bill does not provide it—then I say we are failing to do our duty.

Section stands.

Progress reported.

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

Monday, March 9, 1942

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 a message from His Excellency the Governor General, reading as follows:

I have received with great pleasure the address that you have voted in reply to my speech at the opening of parliament, and thank you for it sincerely.

Athlone

Government House,
Ottawa,
March 5, 1942.

44561—72

PLEBISCITE ACT

PROCLAMATION FIXING APRIL 27 NEXT AS DAY OF VOTING

Hon. N. A. McLARTY (Secretary of State): I desire to lay on the table of the house copy of order in council P.C. 1796, passed pursuant to the Plebiscite Act. Attached to it is a copy of the proclamation fixing the date for voting and the other provisions required by the act. I may say that the date for voting will be April 27 next.

PRAIRIE FARM ASSISTANCE ACT

AMENDMENT OF PROVISION RESPECTING DECLARATION OF EMERGENCY YEAR

Hon. J. G. GARDINER (Minister of Agriculture) moved for leave to introduce Bill No. 14, to amend the Prairie Farm Assistance Act, 1939.

He said: The bill contains only one section. It provides for the removal of section 3 (1), which reads as follows:

Any crop year in which the average price is less than eighty cents per bushel may be declared by the governor in council as an emergency year under this act.

And substitutes therefor:

The governor in council may for the purpose of this act declare any crop year to be an emergency year.

It takes out the restriction of eighty cents a bushel.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

NATIONAL REGISTRATION—SKILLED AND UNSKILLED LABOUR

Mr. KUHL:

1. Has the government used the information obtained in the national registration to compile statistics which will show, (a) the number of skilled man-hours of work which are available; (b) the extent to which these hours of work are being utilized; (c) the manner in which they are being utilized; (d) the number of unskilled man-hours of work available; (e) the manner in which and the extent to which they are being utilized; (f) the extent to which the unskilled labour is being trained?
2. If so, what statistics are available?

Mr. THORSON:

1. (a) No.
(b) See answer to "a".
(c) See answer to "a".
(d) No.
(e) See answer to "d".
(f) No.
2. None.

BRITISH IMMIGRANTS

Mr. LECLERC:

1. How many British immigrants have entered Canada each year since 1935?

2. Of that number, how many are of military age?

Mr. CRERAR:

1.

Fiscal years	From overseas	From U.S.A.	Totals
1935-36.....	2,049	3,103	5,152
1936-37.....	2,264	3,063	5,327
1937-38.....	2,972	3,341	6,313
1938-39.....	3,373	3,317	6,690
1939-40.....	3,566	3,365	6,931
1940-41.....	3,104	4,898	8,002
Totals.....	17,328	21,087	38,415

The term "from overseas" includes British immigrants from all parts of the world, except the United States.

2. The total (38,415) includes males and females. There were 8,948 males between the ages of 20 and 50, as indicated in the following groups—

Ages	From overseas	From U.S.A.	Totals
20-24.....	1,078	748	1,826
25-29.....	1,072	795	1,867
30-39.....	1,390	1,641	3,031
40-50.....	784	1,440	2,224
Totals.....	4,324	4,624	8,948

No figures are available to show from what countries the British immigrants from overseas came. However, recently a special compilation was made for the calendar year 1941 to ascertain how many male immigrants over the age of 18 had arrived in Canada. The total was 774. Of these, 96 came from the British Isles, 470 from Newfoundland and 208 from other countries. Of the 96 from the British Isles—

18 were from 18 to 29 years of age
38 were from 30 to 40 years of age
40 were 41 years of age or over.

GOLDEN BALL GARAGE, SAINT JOHN, N.B.

Mr. HAZEN:

1. Has the government paid any money to General Realty Company, Limited, Saint John, New Brunswick, on account of rental for that part of the Golden Ball garage it leased on January 15, 1941?

2. If so, how much and when?

Mr. RALSTON:

1. No.

2. Answered by No. 1.

[Mr. Thorson.]

CANADIAN PRISONERS OF WAR—JAPAN

Mr. REID:

Have any steps been taken by the government to send food supplies for the use of Canadian soldiers now held prisoners of war by Japan?

Mr. MACKENZIE KING: Allied governments, the nationals of whose countries are prisoners of war of Japan, are alike concerned with the Canadian government in the matter of sending food supplies for the use of soldiers now held prisoners of war in the far east. The Canadian government is associated with the other governments concerned in taking every possible step in this matter.

PURCHASE OF CHOCOLATE FOR CANADIAN ARMY

Mr. LACOMBE:

1. Has the government awarded a contract for the supply of chocolate for the army?
2. If so, to whom was this contract awarded?
3. Was it sublet?
4. If so, to whom?
5. What will be the total expenditure in connection with this contract?

Mr. HOWE:

1. No.

2, 3, 4 and 5. Answered by 1.

PURCHASE OF PORK AND BACON FROM CANADA PACKERS

Mr. LACOMBE:

1. Did the government purchase pork and bacon from Canada Packers during the years 1939, 1940, 1941 and 1942 for use of the army?
2. If so, what amount in each of these years?
3. At what price per pound?
4. Were all of such materials used entirely by the army?
5. Were the sides or fat portions used for the needs of the army?
6. If not, were they resold?
7. To whom and at what price?

Mr. RALSTON: I want to ask my hon. friend to drop this question in the form in which it now appears. If you will look at it, Mr. Speaker, you will see that it would involve work which I am sure my hon. friend would not ask to have done at this particular time. He wants to know the pork and bacon purchased by the government from Canada Packers for the use of the army during 1939, 1940, 1941 and 1942; the amounts for each year; the price per pound—and the price per pound varies I think every three months; then he comes to what I believe must be the real text of his question, whether the materials were used entirely for the army and whether any were resold. If my hon. friend would reframe his question, giving particulars of the place or district to which he is referring and also the

particular period, I think we could handle the matter all right. As it is now we would have to go to every military district in Canada, as well as to Newfoundland, to get the information for which he asks.

Question dropped.

SHEEP RAISING

Mr. BLACKMORE:

1. In view of the rumoured danger of the development of a shortage of wool in Canada, will the minister tell the house what steps his department has taken to prevent the slaughter of ewes?

2. What steps have been taken to import suitable breeding stock?

3. What steps have been taken to assist, through advances of credit or otherwise, those who would go into the sheep business?

4. What has been done in the way of guaranteeing and stabilizing prices of wool and mutton over a period of years?

Mr. GARDINER:

1. No steps of the nature indicated have as yet been taken to avoid the possible development of a shortage of wool in Canada. The Canadian wool situation is at present being considered by the Department of Agriculture and the Wool Administrator in consultation with representatives of the sheep industry.

2, 3 and 4. Answered by No. 1.

*INTERNED ANTI-FASCISTS

Mr. QUELCH:

Has the government taken any action to investigate the cases of interned anti-fascists, on their own individual merit, to the end that those held merely on the charge of having been members of the communist party, may be released?

Mr. St. LAURENT: No persons have been interned as anti-fascists, nor are any being held as such. The cases of all internees under regulation 21 of the defence of Canada regulations who have requested a rehearing, or for whom such a request has been made, have been or are being investigated by advisory committees, on the individual merits of each, to the end that each may be dealt with by the Minister of Justice in view of the recommendation of the committee.

NATIONAL LABOUR SUPPLY COUNCIL

Mr. MacINNIS:

1. Does the national labour supply council still function?

2. Who are the present members of the council, (a) representatives of industry, (b) representatives of labour?

3. How many meetings have been held by the national labour supply council since November 1, 1941, to date?

4. What matters were referred to the said council from November 1, 1941, to date?

Mr. MITCHELL:

1. No.

2, 3 and 4. None.

Explanation: Due to the establishment of the national war labour board and following representations of organized labour, order in council P.C. 2686 was revoked and the functions formerly performed by the national labour supply council are now largely undertaken by the national war labour board and the regional war labour boards.

QUESTIONS PASSED AS ORDERS FOR RETURNS

WOMEN IN WAR WORK

Mrs. NIELSEN:

1. Are women employed by the federal government in organizing women, (a) for war work; (b) to take over civilian duties to release men for the armed forces?

2. If so, how many such women under each of the above categories?

3. Who are such organizers, listing names, addresses or where employed, qualifications, duties and salary of each?

4. Of these women who registered with the voluntary registration bureau of the government, now called national registration division, how many have been placed with, (a) the auxiliary services of the forces; (b) war industries, (c) civilian services?

Mr. THORSON: It would require an enormous amount of correspondence to attempt to answer part 4 of this question, and even then I think it would be impossible to comply with the request. I would ask that part 4 be dropped, and that the remainder of the question stand as an order for return.

Mr. SPEAKER: Parts 1, 2 and 3 stand as an order for return; part 4 dropped.

HOUSING LOANS

Mr. GRAYDON:

1. How many loans each year have been made under the provisions of the National Housing Act since the said act went into operation?

2. How much money was loaned (a) by the financial institutions, (b) by the government, in connection with the said loans in each of the said years, by provinces?

3. During the year 1941, how many loans under the provisions of the National Housing Act were made in the county of Peel?

4. What was the total amount so invested (a) by financial institutions, (b) by the government, in the said county?

CANADIAN BROADCASTING CORPORATION—SAVING OF PAPER

Mr. PURDY:

1. Has the Canadian Broadcasting Corporation recently issued a series of advertising booklets under the heading, "Five Years of Achievement"?

2. If so, what is the total cost of this publication, including distribution, and including any of the series not yet distributed?

3. Who is the minister of the crown responsible to parliament for the operations of the Canadian Broadcasting Corporation?

4. Has he taken appropriate steps to curtail further expenses of this corporation for non-essentials?

5. Has any department of the government recently distributed a bulletin stating that—"Every scrap of paper that can be saved and every scrap that can be salvaged will help the war effort"?

6. If so, by what department was this distributed?

7. Have steps been taken to make sure that all departments of the government and government owned or controlled corporations carry out the above suggestions as to saving paper, as well as all savings advocated for private business by government sources?

MOTIONS FOR PAPERS

SECOND VICTORY LOAN—SUBSCRIPTIONS OF OVER $100,000

Mr. MARSHALL:

For a statement showing the names of all persons, firms and corporations, including loan companies, insurance companies and banks, who subscribed $100,000 or more to Canada's second victory loan, setting forth the amount subscribed by each.

Mr. ILSLEY: It has never been the practice to disclose the names of purchasers of bonds, except with the consent of the purchaser, so that I shall have to take exception to this motion. I suggest that if the hon. gentleman would like to know the amount taken by loan companies as a class, or by insurance companies as a class, or by banks as a class, there would be no objection to giving that information. Nor is there any objection to giving the information which has been given in the press releases, because that has been given with the consent of the subscribers. Further than that, however, I would not care to go.

WAR EXCHANGE CONSERVATION ACT
ALLOWANCES FOR DEPRECIATION

Mr. CASTLEDEN:

For a return showing the names of individuals, partnerships or corporations, and the amounts of any special tax credits and/or special allowances for depreciation or depletion agreed to between the Minister of Finance and individuals, partnerships or corporations under the War Exchange Conservation Act, between June 14, 1941, and January 30, 1942.

Mr. ILSLEY: Again in regard to this motion, Mr. Speaker, I should like to call the hon. gentlemen's attention to the fact that all agreements must be tabled within a short time after they are entered into, and therefore all this information is available to every hon. gentleman in this house. To comply with this motion it would be necessary for the government to make a precis of information which is already before the house; that is the only function the government would be discharging. I will ask, therefore, that the motion be dropped.

GASOLINE RATIONING

Mr. CARDIFF:

For a copy of all orders in council and all regulations made by the Minister of Munitions and Supply, the oil controller and/or any other official of the Department of Munitions and Supply with reference to the proposed rationing of gasoline.

TIRE RATIONING

Mr. CARDIFF:

For a copy of all orders in council and all regulations made by the Minister of Munitions and Supply, the controller of supplies and/or any other official of the Department of Munitions and Supply with reference to the rationing of tires for motor vehicles.

SUNDAY LABOUR

LAKE ST. JOHN PULP AND PAPER COMPANY PLANT AT DOLBEAU, P.Q.

On the orders of the day:

Hon. LOUIS S. ST. LAURENT (Minister of Justice) (Translation): Mr. Speaker, on the 5th of March the hon. member for Laval-Two Mountains (Mr. Lacombe) read to the house a letter addressed to him on March 3 by Mr. L. Dumais, secretary of the National Catholic Union of the pulp and paper industry, of Dolbeau, informing him that a pulp and paper company had carried on manufacturing operations at that place on Sunday, May 1. The hon. member asked whether the Minister of Justice would take immediate steps to ensure the observance of the law prohibiting Sunday labour.

Mr. Dumais' letter refers to a communication from the Department of Justice addressed to Mr. P. J. Martel of Chicoutimi on January 21 last, informing him that the government had not passed any order in council amending the Lord's Day Act. In this letter the deputy minister of justice added that he had no personal knowledge of the paper industry having been classed as an essential war industry.

It would be a complete answer to the hon. member's question to point out to him that the administration of justice is a provincial matter and that the Lord's Day Act expressly states that no action or prosecution for a violation of the act shall be commenced without the leave of the attorney general for the province in which the offence is alleged

to have been committed. However, believing that the hon. member wished to obtain the fullest possible information on the point, not only for himself but for all those who are interested in the question of Sunday observance, I have endeavoured to procure it for him.

The hon. member knows that, notwithstanding the general provisions of the act, section 11 allows the performance on Sunday of any "work of necessity or mercy." In paragraphs (a) to (x) of section 11 various kinds of work are given as examples. Since the outbreak of the war the question has frequently arisen whether the urgent need of certain products was sufficient reason to continue their manufacture on Sundays. So long as the dominion government has not made any specific enactment in the matter, each case is one for the attorney general of the province to decide when, an apparent violation of the act having occurred, he is requested to authorize the taking of an action or a prosecution in the premises. Should he allow proceedings to be taken, the courts will decide the issue.

I am informed that in many instances manufacturers pressed by the Department of Munitions and Supply to increase their output have asked that department whether, in order to do so, they would be allowed to carry on their work on Sundays. Of course, the Department of Munitions and Supply could not give a certificate of immunity to anybody, but the officers of that department could express their opinion as to whether or not the work in question was sufficiently urgent to be classified as "work of necessity or mercy." I am told that in many instances officers of that department have written to manufacturers letters expressing an affirmative opinion and that the bearers of such letters communicated them to the attorney general of the province in which their plants were situated, who accepted the opinion of the Department of Munitions and Supply as sufficient reason for the exercise by him of the discretionary power to deny authorization to prosecute, conferred upon him by section 16 of the act.

I do not know whether or not the company operating the pulp and paper plant at Dolbeau has obtained from the Department of Munitions and Supply a statement of opinion as to the urgency of increasing the volume of its production, but I know in a general way that, wishing to accelerate as much as possible the output of pulp and paper, that department has informed several manufacturers that it considered the urgency sufficiently great to justify their requesting the attorney general of their province not to authorize proceedings against them in respect of work done on Sundays for the purpose of increasing available stocks of their product.

Mr. LIGUORI LACOMBE (Laval-Two Mountains): May I ask the Minister of Justice whether he will draw the attention of the attorney general of the province of Quebec to the non-essential work performed by the Lake St. John Pulp and Paper Company Limited?

Mr. ST. LAURENT: Mr. Speaker, I do not think it is the duty of the Minister of Justice to take the action requested by the hon. member. Any citizen of a province may draw the attorney general's attention to anything occurring in his province.

(Text) Mr. HOMUTH: In view of the fact that the answer given by the Minister of Justice has a bearing on all industry in Canada, would he give the house a summary in English of the answer he has given, so that all hon. members may be familiar with it?

Mr. St. LAURENT: Perhaps it will suffice if I tell the hon. member that the translation will be printed in the English Debates.

Mr. HOMUTH: Could we not have a synopsis of it?

Mr. St. LAURENT: I can send my hon. friend now a rough translation if he wishes to have it.

Mr. HANSON (York-Sunbury): That is all right.

WAR EXPENDITURES

INQUIRY AS TO APPOINTMENT OF SPECIAL COMMITTEE

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): May I ask the Prime Minister if at this session a special committee will be set up to look into war expenditures? A number of hon. members are anxious that such a committee be formed.

Mr. MACKENZIE KING: Yes, it is the intention to have a committee on war expenditures.

Mr. HOMUTH: Will the committee to be set up act as a secret committee, as the last one did, or is it to be one which will function openly so that the people will know what is going on?

Mr. SPEAKER: Order. The hon. member's question might well be put on the order paper.

AIR RAID PRECAUTIONS

CONDITIONS ON PARLIAMENT HILL OWING TO PARTIAL BLACKOUT

On the orders of the day:

Mr. E. G. HANSELL (Macleod): Mr. Speaker, I have a question which might properly be directed to the Department of Public Works, having reference to the partial blackout as it is applied to the parliament buildings.

Mr. HOMUTH: It is complete.

Mr. HANSELL: Perhaps it is complete. The steps in front of the main building leading down to the promenade are very dangerous at night. Could a little light not be thrown on those steps? Some night somebody is going to have a serious accident there. Will the government attend to the matter?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am sure the Minister of Public Works will note what my hon. friend has said and will find a way of affording more light.

CANADIAN WHEAT BOARD ACT

PROVISION FOR INCREASED RATE PER BUSHEL ON WHEAT DELIVERED BY PRODUCERS

Hon. J. A. MacKINNON (Minister of Trade and Commerce) moved the second reading of Bill No. 13, to amend the Canadian Wheat Board Act, 1935.

He said: For the greater part of the past decade wheat has been a difficult and an extremely complicated problem for the dominion government. It has been possible to decide upon each year's programme only after weighing all the factors capable of measurement or accurate appraisal. For several months now this government has given very serious consideration to all phases of our present wheat position and I can say frankly that the decision this year has had to be made in the face of the most difficult set of circumstances which has, I believe, ever confronted this country in regard to wheat.

In arriving at our decision we have most carefully considered the various representations which have been made to us by different groups from the western provinces and have been in almost continuous consultation with advisers of the government as well as between members of the wheat committee of the cabinet and of the whole cabinet. This has resulted in a most comprehensive research into the whole wheat situation. The many recommendations we have received have been carefully analysed and the present decisions have only been arrived at after the most thoughtful consideration of every angle of the problem.

[Mr. Speaker.]

Five major factors have had to be considered. These factors were:

(1) The necessary steps to be taken to improve the position of wheat producers who constitute such a large and important group in Canada, and on whom in large measure depend the well-being of the economy of the prairie provinces as well as of Canada as a whole.

(2) The extent to which the dominion government could act in respect to the wheat problem without detracting from our immediate objectives in respect to the war.

(3) The extent to which we could count on export markets during 1942-43.

(4) The responsibility which we bear to ourselves and to our allies in this war in maintaining a reserve of wheat in Canada sufficient to meet unforeseen contingencies.

(5) The relative importance of wheat production in 1942 as compared to other farm products under the stress of wartime conditions.

While other factors entered into our consideration of our present wheat problem, these five factors emerge as the most significant in relation to the decision which the dominion government had to make. Let me deal briefly with each of these points.

In regard to the position of the wheat industry and wheat producers in the prairie provinces, the government has throughout its consideration of 1942-43 wheat policy, been very sympathetic to, and in fact strongly in favour of additional financial support to wheat producers and the western economy through an enlarged income from wheat. This decision in itself was not difficult to make because the government has been aware that wheat prices were low when Canada entered the present war, and since the outbreak of the war the fixed initial price of wheat under the Canadian Wheat Board Act has been continued at 70 cents per bushel No. 1 northern in store Fort William and Vancouver. Additional assistance in 1941-42 does not alter the government's attitude toward the price of wheat. During these war years production costs have increased for the wheat producer as for practically all primary producers in Canada, and therefore, it is only reasonable that at the proper time an adjustment should be made in the income derived from the production of wheat.

As far as this government is concerned, the only question in regard to this phase of the wheat problem was by how much and in what manner it would be possible to improve the income of wheat producers with due regard to the other obligations of the government in respect to the all-important question of the

successful prosecution of the war. No one in Canada, and certainly not the wheat producers of the prairie provinces, suggest that anything should be done in respect to wheat which will in any way limit the capacity of this government to meet the immediate responsibilities and burdens of the war.

In connection with the second point we have had to carefully examine the possibilities of moving our wheat into export trade. Under existing conditions, export markets for Canadian wheat are definitely limited; that is inevitable in the present phase of the war. Our principal market last year was, and this year will be the United Kingdom, and in forecasting our export possibilities we can only see in sight the immediate requirements of the British isles, and rather small exports to other countries.

The government has kept in mind at all times, in addition to these immediate considerations, the more general responsibility which Canada must assume in respect to providing adequate reserves of wheat for the United Kingdom, and our allies and against possible contingencies. At the end of last July Canada had a carryover of 480 million bushels of wheat in all positions, the largest year-end stock of wheat ever held by this country. We expect to have about 400 million bushels of wheat on hand at the end of the present crop year, or when the 1942 crop is ready for harvest. The government believes that this stock of wheat constitutes an adequate reserve of Canadian wheat, and does not feel that Canada can be called upon to maintain wartime reserves in excess of this amount. If we maintain a reserve in these proportions we are doing all that can be expected of us at this stage of the war. In addition to the reserves of wheat which we shall hold in Canada on July 31st next, the United States will have the largest carryover in its history—slightly over 600 million bushels—and it is estimated that Argentina and Australia will hold stocks of 360 million bushels. At the end of next July, the four chief wheat exporting countries will have a carryover of 1,300,000,000 bushels of wheat in addition to the surpluses which may arise from 1942 production. In the face of this situation there should be no anxiety as to the supplies of wheat available in normally exporting countries, and in particular in Canada and the United States.

With permission, Mr. Speaker, I would like to place on Hansard a table showing the carryovers of the four chief exporting countries from July 31, 1938 to 1942.

July 31 each year	Canada[1]	United States[2]	Argentina[2]	Australia[2]	Total
1938	25	153	72	50	300
1939	103	252	230	50	635
1940	301	282	75	130	788
1941	480	387	175	70	1,112
*1942	400	610	215	145	1,370

[1] Official statistics.
[2] Food research institute.
* Estimated.

Note.—Figures in million bushels.

Mr. HANSON (York-Sunbury): That would indicate, would it not that this is not a special war problem?

Mr. MacKINNON (Edmonton West): Yes. I would point out particularly that at the end of 1938 the carryover in Canada, the United States, Argentina and Australia amounted to 300 million bushels, but at the end of 1942, and this is a conservative estimate, the carryover of these same countries will have risen to 1,370 million bushels. The government had to give further serious consideration to the relative importance of various farm products in connection with our war effort. No one disputes the value of wheat as a food product; no one disputes the advisability of carrying a substantial reserve of wheat under present conditions; and no one disputes the fact that of all farm products wheat can be most effectively stored. But with 480 million bushels of wheat on hand last July, and with the prospect of 400 million bushels of wheat on hand next July at the time when the 1942 crop will be ready for harvest, and in view of the lack of large export possibilities, wheat production in 1942 cannot be regarded as an extremely urgent matter.

Mr. HANSON (York-Sunbury): Could the minister give the stock in Canada available for export as of February 1?

Mr. MacKINNON (Edmonton West): I am not just sure that I can give the figures offhand. I think it would be about 480 million bushels.

Mr. HANSON (York-Sunbury): The minister said that that would be the figure on July 31. I am trying to follow his figures and I find it a little difficult. My understanding was that he said there would be a carryover on July 31 of 480 million bushels.

Mr. MacKINNON (Edmonton West): 400 million bushels.

Mr. CRERAR: 480 million bushels last July.

Mr. GARDINER: 400 million bushels next July.

Mr. MacKINNON (Edmonton West): The statement I am placing on *Hansard* sets this information out in detail.

As I was saying, wheat production in 1942 cannot be regarded as an extremely urgent matter. This cannot be said, however, in respect to practically all other farm products produced in the prairie provinces. We urgently need more hogs; we urgently need more feed grains; we urgently need more milk, butter and cheese. If the government were to establish priorities in respect to the production of farm products in 1942, it would be necessary to place wheat well down on the list, topped in point of urgency by feed grains, live stock and live stock products. My colleague, the Minister of Agriculture, will be dealing with the coarse grain situation but the situation is a most vital one and had to be considered along with our wheat policy. I stress this point deliberately in order to make it clear that an undue expansion in wheat acreage and wheat production in 1942 is not advisable, and at the same time to strongly urge every producer in the prairie provinces to make certain that the government's wheat policy does not influence him one iota to cease, or in any way interfere with his efforts to increase feed grain and live stock production to the limit of his resources.

When the full grain programme for 1942 is before the house it will be seen that the government has made provision for encouraging farm production along the lines most urgently required, and provision will be made whereby wheat producers may benefit from the 1942-43 wheat programme without unduly expanding wheat acreage.

Before dealing with the 1942-43 programme, I would like to briefly review the wheat position in the present crop year, 1941-42.

As I have already noted, Canada ended the crop year 1940-41 with a carryover of 480 million bushels (on July 31, 1941). This was a smaller carryover than we had expected to have earlier in that crop year as it seemed inevitable that our carryover on July 31, 1941, would be about 550 million bushels. As a result of increased exports, mainly in April, Kingdom, total exports in 1940-41 amounted to 230 million bushels, whereas we had expected exports, at best, of about 180 million bushels. This increase in exports to the United Kingdom, substantial flour exports to Britain and other countries, and a somewhat larger domestic demand for wheat made it possible for us to bring our July 31 carryover down to the 480 million bushel level.

The 1941 wheat crop in the prairie provinces and in Ontario was very small. Canadian production in 1941 is now estimated at 299 million bushels, as compared with 540 million bushels harvested in 1940. Despite this the wheat problem has persisted in a very difficult form. The following figures show the quantities of wheat available in Canada in 1940 and 1941:

	1940	1941
	(million bushels)	
Carryover, July 31.....	301	480
New crop.....	540	299
	841	779

Taking carryovers into account, we had 841 million bushels of wheat with which to deal in 1940-41, after harvesting the second largest crop in history. During the present crop year we have had 779 million bushels of wheat with which to deal after harvesting a relatively small crop. These statistics show that the increase in carryover between July 31, 1940 and July 31st, 1941, largely offset decreased production in 1941. In spite of the small crop in 1941 we have only 62 million bushels less wheat to handle during the present crop year, as compared with the previous crop year when production was so high. The house will appreciate from these statistics the extent of the wheat problem for which we had to prepare, and for which we were prepared, in 1941-42. If the 1941 wheat crop had been 400 million bushels instead of 299 million bushels, we would have had to deal with nearly 900 million bushels of wheat during the present crop year. If yields of 1940 had been repeated in 1941, we would have had to deal with over a billion bushels of wheat in Canada.

One of the effects of the small crop harvested in 1941 was to materially ease the grain storage problem in Canada, and the Canadian wheat board was able to rapidly advance delivery quotas during the fall of 1941. The crop year commenced with a general delivery quota of 5 bushels per authorized acre; on October 7th the general quota was raised to 8 bushels per authorized acre; on October 16th to 12 bushels per authorized acre; and on November 21st to 15 bushels per authorized acre. Finally, on December 6th, quotas were removed and all delivery points in the prairie

provinces were placed on an "open delivery" basis. In addition to the increases in the general quota, the delivery quotas at individual stations were raised throughout the fall months as soon as local storage permitted.

The dominion government undertook to limit deliveries in all of Canada to 230 million bushels, which would mean about 223 million bushels deliverable in the prairie provinces. Since the prairie wheat crop amounted to 279 million bushels in 1941, it was apparent from the commencement of the new crop year, that marketings would not exceed the maximum established by the dominion government, making it possible to take delivery of all surplus wheat in the prairie provinces. It is expected that total deliveries for the crop year 1941-42 will amount to about 200 million bushels, which will be well within the limit prescribed for the prairie provinces.

Up until February 27th country deliveries of wheat had amounted to 166 million bushels, leaving a balance of about 34 million bushels to be delivered before July 31st, 1942.

Exports are running somewhat higher than for the corresponding period of 1940-41. Up to February 27th export clearances of wheat had amounted to 84 million bushels as compared with 65 million bushels for the corresponding period of last year. In addition during the six months ending January, flour exports in terms of wheat had amounted to 22 million bushels this crop year, as compared with 15 million bushels for the same months in 1940-41. It may be said, therefore, that our exports of wheat and flour are running about 25 million bushels ahead of the same period in 1940-41. We must remember, however, that exports were very light up to this time a year ago, and did not run into substantial volume until the last four months of the crop year. As the crop year progresses, therefore, it is very likely that our exports will be less favourable as compared with a year ago. I would not attempt to forecast our wheat exports for the crop year 1941-42 because the volume of these exports depends so largely upon the requirements of the United Kingdom and the ability to provide the necessary shipping.

In announcing the government's 1942-43 wheat programme, I shall deal with that part of the programme which comes within the jurisdiction of the Department of Trade and Commerce. Following my statement, my colleague, the Minister of Agriculture (Mr. Gardiner), will deal with other forms of assistance which will be administered by his department.

I wish to make it quite clear, Mr. Speaker, that the announcements to be made by my colleague and this announcement by me are closely related. There are not two plans but one plan carefully worked out, each in relation to the other on the basis of the needs as we see them of the whole of the western provinces.

In so far as the wheat programme is concerned, no attempt has been made to formulate a long term policy. This would be virtually impossible in the light of the many factors which have a direct bearing on our policy at the present time but which may or may not exist after the cessation of hostilities. In the studies which have been made in regard to the whole agricultural policy to be followed in the west, a possible long term programme has been reviewed but, as I say, under present circumstances it is not possible to implement a programme which might be dislocated within six months of its announcement.

It is my responsibility to announce the government's decision in respect to the price which will be paid to the farmers for wheat in 1942-43, the volume of wheat which we propose to accept in that crop year and decisions which have been made in regard to price of certain coarse grains and flaxseed.

The government proposes that the fixed initial price for wheat delivered in 1942-43 under authorized delivery quotas shall be 90 cents per bushel, basis No. 1 northern wheat in store Fort William/Port Arthur or Vancouver.

In reaching its decision in regard to the fixed price per bushel of wheat, the government has taken into account the position of producers who, by virtue of geographical location, and established farm practice, must depend mainly upon wheat production in their farm operations. Producers in this position have not been able to take as much advantage as producers in other areas of remunerative markets which have existed for live stock and live stock products. With due regard to the percentage of total wheat acreage in the prairie provinces which is normally seeded to wheat in these areas, the government feels that an increase in the per bushel price is an effective way of assisting those who need assistance most.

It is not the intention of the government that domestic buyers of wheat and wheat products shall be deprived of the protection of the price control policy.

Accordingly, the Canadian wheat board will continue to sell wheat to domestic buyers for flour or other use at a price which conforms to the spirit and intention of the maximum prices regulations and is an appropriate price in relation to the domestic selling prices of goods made from wheat or in the production of which wheat is used.

The wartime prices and trade board, in the discharge of its responsibilities under the maxi-

mum prices regulations and the wartime prices and trade regulations, will have the duty of determining the price at which wheat will be sold to domestic buyers in accordance with these principles.

The wartime prices and trade board will discharge this duty from time to time after consultation with the Canadian wheat board.

Since the resolution on the order paper on March 5 indicated an increase in the fixed initial price of wheat, the Canadian wheat board has taken steps to prevent any speculative profits that might arise from the government's decision and to that end sent the following wire to the secretary of the Winnipeg grain exchange before the opening of the market on March 6:

J. T. Irving,
Secretary, Winnipeg Grain Exchange,
Winnipeg, Man.

A resolution placed on the order paper for March 5th 1942 indicates the government's intention to increase the initial price of wheat. This is an official notification of our intention that all open wheat futures will be adjusted to the new level of wheat prices on or before July 31st 1942 and that all open wheat futures will be cleared on or before this date at the closing prices of Thursday March 5th, that is May wheat futures at 79¼ cents and or July wheat futures at 80⅝ cents. If this action is not taken until July 31st suitable carrying charges will be allowed to holders of cash wheat for the elapsed period during the month of July. Unhedged cash wheat will be adjusted on the same basis. In the meantime holders of cash wheat as well as futures may continue to carry on with their normal business bearing in mind the above.

The Canadian Wheat Board

Mr. HANSON (York-Sunbury): Before the minister approached that portion of his remarks with respect to the grain exchange, he suggested that there might be a deficiency between the initial price of wheat and the price fixed by the wartime prices and trade board. He has not made it quite clear who is to absorb that deficiency, if any. I think he ought to tell the Canadian people on whom that burden is to rest. Is it to be on the millers, on the bakers, on the general public by way of some increase, or is it to be paid out of the consolidated revenue fund; and how much?

Mr. MacKINNON (Edmonton West): Investigations have been in progress and are continuing as to the point raised by the leader of the opposition, and an announcement will be made just as soon as a decision is arrived at.

Mr. HANSON (York-Sunbury): When will that be?

Mr. MacKINNON (Edmonton West): Well, that should be shortly.

[Mr. J. A. MacKinnon.]

Mr. HANSON (York-Sunbury): Before this bill goes through?

Mr. MacKINNON (Edmonton West): I am not sure of that, but I expect that it will be shortly.

In announcing the government's decision in regard to price, I may once again reiterate the fact that this new price is not to be considered as warranting undue expansion in wheat acreage. I will go one step further. This is the highest government-guaranteed price for Canadian wheat at any time since the last war. Wheat producers must accept the responsibility of keeping wheat acreage at reasonable levels.

In proposing a price of 90 cents per bushel for No. 1 northern in store Fort William/Port Arthur or Vancouver, the government is going as far as it feels it can go, with due regard to its immediate and unprecedented financial responsibilities in connection with the prosecution of the war. I need not remind this house of the present financial commitments of the government in respect to wheat. The annual report of the Canadian wheat board, recently tabled in this house, showed on July 31, 1941, deficits in respect to 1938, 1939 and 1940 crops amounting to $79,972,814.45. A substantial proportion of Canadian wheat supplies is held by the Canadian wheat board and is a direct responsibility of the dominion government.

In addition to these exceedingly large commitments in respect to wheat, the new fixed price will add materially to the government's obligations in respect to wheat during 1942-43.

In addition to increasing the fixed price per bushel of wheat, the government proposes to substantially increase authorized deliveries of wheat in the prairie provinces and British Columbia during 1942-43 to a total of 280 million bushels.

This figure is based upon estimated domestic and export demand but it is extremely difficult to accurately forecast exports a year and a half in advance. The government is guided by estimates of exports and domestic demand and is fixing authorized deliveries at 280 million bushels. This figure will not be changed on the basis of later estimates of the 1942-43 demand for Canadian wheat. The government thinks it is more satisfactory from the producers' standpoint to name a definite figure for marketings in 1942-43, rather than make it conditional upon factors which can only be estimated.

The authorized deliveries of 280 million bushels will apply only to the prairie provinces and part of British Columbia. The government does not propose to regulate marketings in eastern Canada because of the large demand

for soft wheat for milling purposes, and because of the volume of grain required for live stock feeding in eastern Canada.

In the main, the government's proposal to permit marketings of 280 million bushels in the prairie provinces and British Columbia during 1942-43 was designed to limit such marketings to about the quantity which will go into export trade or domestic consumption in Canada. As a result, the government does not anticipate much change in year-end stocks on July 31, 1943, as compared with stocks which will be carried on July 31, 1942.

Delivery Quotas.—As long as maximum authorized deliveries are established for the prairie provinces, it will be necessary to provide for the limitation of farm deliveries. This is the only way in which total deliveries may be regulated.

The government, in consultation with the Canadian wheat board, proposes that individual deliveries in the prairie provinces and British Columbia will be based upon authorized acreage of each individual producer, as established in 1941-42. On this basis the authorized acreage of the prairie provinces and British Columbia for delivery purposes will be about 20,000,000 acres.

The per-bushel quotas to be estimated on authorized acreage in 1942-43 will be determined in an equitable manner when 1942 seeded acreages are known and when the general pattern of the 1942 crop is established. It is the desire of the government and the board that the simplest possible quota plan be established for 1942-43, consistent with the obligation of distributing marketings of 280 million bushels equitably among approximately 240,000 wheat farmers in the prairie provinces.

In connection with establishing delivery quotas it will be necessary for all wheat producers who are operating new farms in 1942; or who are operating more land in 1942 than in 1941; or who are operating less land in 1942 than in 1941; or who did not take out permits in 1941, to advise the Canadian wheat board at the earliest possible moment of changes in their farms or of the fact that they do not hold 1941 permits. This is necessary in order that authorized acreages may be properly established and in order that there be as little delay as possible in issuing permits to deliver wheat in 1942-43.

Before leaving the matter of the price of wheat for 1942-43, and authorized marketings, I would like to indicate broadly the effect of the new price upon potential income in the prairie provinces. I say "potential" for the reason that we cannot be assured of how much wheat will be produced in 1942-43 when the new price basis becomes effective. In 1941-42 the dominion government permitted the marketing of 230 million bushels, which at the fixed price of 70 cents per bushel provided for farm income from wheat of about $125,000,000. Since a very short crop was harvested in 1941, wheat deliveries will probably not exceed 200 million bushels, and the return to wheat producers will be about $106,000,000, exclusive of other forms of assistance.

In raising the per-bushel return from wheat and the amount of wheat permitted to be marketed from 230 million bushels to 280 million bushels, the potential wheat income of the prairie provinces will be raised from $125,000,000 in 1941-42 to about $205,000,000 in 1942-43, provided the full amount of the authorized marketings is available. The government's proposals in connection with price and authorized marketings therefore involve a very substantial increase in the income of wheat producers. When this increase in income from wheat is placed alongside of a very large income which is now accruing to producers of the prairie provinces from the sale of live stock, live-stock products, and grains other than wheat, western Canada should be assured of a very substantial farm income in 1942-43 provided crop conditions are reasonably good. If farm revenues from sources other than wheat increase moderately and if an average crop is harvested in 1942-43 farm revenues should reach $475,000,000 in the prairie provinces during the coming crop year, as compared with about $350,000,000 in 1941-42, exclusive of direct dominion government subsidies in both years.

So far I have dealt mainly with that phase of the government's grain programme which deals primarily with the desire of the government to increase farm income and add greater security to the position of the wheat producer. I now wish to submit three additional and important proposals for the particular purpose of securing increased production of three farm products which are necessary to our national war effort.

These proposals are:

1. That a minimum price level for barley be established. This minimum price level will be 60c. per bushel basis in store Fort William/Port Arthur for Winnipeg barley futures as well as for all cash barley, basis No. 2 C.W. 6 row at 60 cents. The Canadian wheat board will be empowered to carry out this policy and regulations will be prepared in due course.

2. That a minimum price level for oats be established. This minimum price level will be 45 cents per bushel basis in store Fort William/Port Arthur for Winnipeg oats futures as well as for all cash oats, basis No. 2 C.W. at 45 cents. As in the case of

barley the Canadian wheat board will be empowered to administer this policy and regulations will be issued in due course.

3. That the price of flaxseed be fixed at $2.25 per bushel basis No. 1 C.W., flaxseed in store Fort William/Port Arthur. The dominion government will empower the Canadian wheat board to purchase and handle all flaxseed delivered by producers in Canada in 1942-43. Trading in futures and cash flax will be stopped on all Canadian markets at some date to be determined. An order in council has been passed which prohibits any person under very heavy penalty from moving flaxseed from any licensed or unlicensed elevator or mill in Canada, and also prohibits any operator of any elevator or mill from utilizing flaxseed without the written authority of the Canadian wheat board. Needless to say there will be no interference with the processing of flaxseed in Canada. In the near future regulations will be issued for the handling of flaxseed under the new plan.

In connection with the minimum prices being established for oats and barley the government wishes to give a measure of assurance and security to those producers who co-operate in producing an ample supply of feed grain in 1942 in a patriotic endeavour to maintain our live stock production at high levels. Producers generally will face the new crop year with the assurance that whatever the production of oats and barley is in 1942, the market will be supported on the basis I have outlined.

Mr. McNEVIN: Would the minister state how that compares with the present price?

Mr. MacKINNON (Edmonton West): I think it is a few cents below the present price.

The government's proposal in connection with flaxseed is designed to stimulate maximum production in 1942. Canada and the United States must take steps to increase their supply of vegetable oils to replace sources of supply now cut off by the war. Flaxseed is not an easy crop to produce. The seed is expensive, land must be well cultivated and flax is not ordinarily a high-yielding crop. With these facts in mind the government feels that a relatively high price should be established for flaxseed in 1942 and consequently has decided on the $2.25 per bushel basis.

Mr. DIEFENBAKER: What is the reason that trading in flax futures is to be forbidden?

Mr. MacKINNON (Edmonton West): The handling of flax is being made a monopoly of the Canadian wheat board, to avoid speculative profits by people in possession of flax acquired at very much lower prices.

[Mr. J. A. MacKinnon.]

Mr. NICHOLSON: Why not also wheat and all other grains?

Mr. MacKINNON (Edmonton West): Corresponding procedure has been adopted to prevent speculation in wheat, for the same reason.

Mr. NICHOLSON: Except the closing of the exchange.

Mr. MacKINNON (Edmonton West): I do not think the closing or holding open of the exchange has anything to do with the question.

Mr. PERLEY: It might be a debatable subject.

Mr. MacKINNON (Edmonton West): Possibly. In any event I do not think it is relevant to the matter I am placing before the house at the moment.

No participation certificates will be issued in connection with marketings of oats, barley and flaxseed. Any losses accruing to the government from these operations will be charged to the consolidated revenue fund and in the case of flaxseed any profits resulting from the government's operations will accrue to the credit of the same fund. In the case of oats and barley, any profits will accrue to this fund to apply against government disbursements under the general programme.

When the grain policy which I have outlined is supplemented by the statement which will be made by the Minister of Agriculture, I am sure that the house will agree that this is the most comprehensive grain programme ever presented to parliament. As I have said each step, each stage, has been carefully considered and the implications thoroughly worked out. Broadly, the programme which I have placed before the house seeks to give assistance where it is needed, to give greater assurance to the farmers of western Canada, to indicate the lines of production which should be emphasized in 1942-43, and finally to facilitate the production of needed farm products. I have every confidence that our programme is practical and will commend itself in the present emergency, and meet with the full cooperation of grain producers of western Canada.

Mr. DONNELLY: Has there been any floor or ceiling fixed in regard to rye?

Mr. MacKINNON (Edmonton West): No. I think my colleague, the Minister of Agriculture, will be dealing with matters in connection with rye in his presentation.

It is my intention as soon as the principle of this legislation is approved by the house on second reading to ask that the bill be referred to the standing committee on agriculture for consideration and report.

Mr. E. E. PERLEY (Qu'Appelle): We have just listened to a very interesting statement and review of the situation from the Minister of Trade and Commerce (Mr. MacKinnon). To one who had advocated many of the principles now adopted for three or four years or more it is very interesting. As the minister has given a multiplicity of figures and has stated that his end of the question, so to speak, is related to what the Minister of Agriculture is going to say, I now move the adjournment of the debate.

Motion agreed to and debate adjourned.

WHEAT

MEASURE TO PROVIDE ACREAGE REDUCTION AND CERTAIN PAYMENTS TO FARMERS

Hon. J. G. GARDINER (Minister of Agriculture) moved the second reading of Bill No. 12, respecting wheat acreage reduction.

He said: Mr. Speaker, when the measure which has just been moved to second reading by the Minister of Trade and Commerce (Mr MacKinnon) and the one which I am about to move to second reading were in the resolution stage, it was arranged in the house that these bills should be brought to the point where they would appear on the order paper for second reading; that statements then would be made by the ministers concerned, and that in the discussion following some leeway would be allowed in order that it might not be necessary to deliver three speeches on the three bills that will be before the house. In accordance with that understanding it is my intention at the moment to discuss the three measures, one of which has been advanced on the order paper for second reading and the other two of which now stand for second reading. I shall try to confine my remarks to matters which may concern one or other of these three bills, as they may relate one to another.

The hon. member for Qu'Appelle (Mr. Perley) has just moved the adjournment of the debate on one of these measures. I presume that he and other hon. members are in a position to speak on the second reading of either this or the other bill, that someone will move the adjournment of the debate on this measure in due course, and that we shall attempt as far as possible to have only the one discussion dealing with all matters having to do with the wheat policy.

The action being taken in the house this session in relation to the handling of wheat and other grains is along the line of the policy laid down at the beginning of the war. I mention "other grains" because in his statement the Minister of Trade and Commerce dealt with the handling not only of wheat but also of coarse grains and flax. The discussion therefore will deal with matters other than wheat. The bill providing for wheat acreage reduction also has to do with the production of coarse grains, so that it will be possible to discuss matters having to do with other farm products as well as wheat.

The action we are now taking is the final step in a policy which was laid down at the beginning of the war and which has been consistently adhered to up to the present time. It was stated then that before every war difficulties developed for agriculture, in countries which finally become involved in the war, and more particularly in countries which are suppliers of food commodities to the nations participating in the war. For that reason we in the Department of Agriculture in Canada have been very much concerned during the last two and a half years in developing the agricultural policy of this country to a point where increased prices and quantity would give reasonable returns to farmers. It was realized that prices of farm products were very low before the war. They were low during the first five-year period of preparation for war in Europe from 1930 to 1934. They were not quite so low during the second five-year period from 1935 to 1939. During the two years since the beginning of war prices have gradually advanced on all farm products excepting wheat. There are reasons why wheat should be the last to advance in price.

It will be remembered that just before war was declared, wheat had reached the low level of about 50 cents a bushel. Immediately following the declaration of war wheat gradually began to advance in price, and continued to do so until the spring of 1940. It reached the level of approximately 90 cents a bushel. After the fall of France, the price of wheat dropped very rapidly to the level of about 60 cents a bushel. That drop occurred in a very few days, and then the government of Canada, through the wheat board, pegged the price at 70 cents a bushel, where it has remained ever since.

I cite these facts with regard to wheat in order to indicate that when it was expected that France would continue in the war and that the battles of this war would be fought on the plains of northern France and in Belgium, as was the case in the last war, it was thought that there would be a fairly rapid advance in the price of wheat and that in due course wheat farmers would obtain reasonable prices for their product. But the war has not developed in that way. Up to the present time we have not been able to choose the battlefields. Our enemy has been choos-

ing them, and during the period of our preparation we have not been feeding the people we expected to. The result is that there has not been a rise in the demand for wheat, because those great agricultural areas are still producing.

From the very beginning of the war it was realized that if farmers in Canada were to be able to maintain themselves and develop agriculture to the point where it could take its proper place in providing food for allied countries, prices in due course must advance. Very early in the war we embarked upon a policy of trying to establish floors under various farm products. The first product under which we were able to establish a floor was hogs. That floor was established by entering into an agreement with the British government in the fall of 1939, the first fall of the war. The second product under which we were able to establish a floor was cheese; it was established in the spring of 1940, when a price of 14 cents a pound at Montreal was agreed upon with the British government. The third product under which we were able to establish a floor was wheat, when we pegged it at 70 cents in 1940. The fourth product was butter for which in the spring of 1941 we were able to establish a price of approximately 30 cents a pound for that summer. Finally, toward the fall of 1941, we were able to establish a floor under eggs, by making an arrangement with Britain under which we shipped eggs at 28 cents in certain of the summer months and 32 cents in the winter months, which prices were increased a short time ago to 31 and 35 cents a dozen.

So that down to the fall of 1941 we were able to establish floors for various farm products, and I should like to place on *Hansard* a table indicating the range of prices which brought about the result I have just indicated. For example, from 1930 to 1934 the average price of wheat was 74·2 cents a bushel. For the next five-year period the average price was 96·5 cents. In 1939-40 the price was 76·5; in 1940-41 it was 74 cents, while the average price for the period from 1926 to 1929 was $1.41·7. I am stating the average prices for the period 1926-29 in order that I may say that I believe it has been the established policy of organized agriculture, from one end of Canada to the other, that the government should have as its objective the establishment of prices for farm products in Canada equal at least to the level of farm prices for the average period between 1926 and 1929.

Now, the average price for wheat in the period 1926-29 was about $1.41 per bushel. I have before me a list of prices for other years, and I would ask that when these figures are placed on *Hansard* they appear in tabulated form, as they appear in my notes, so that they may be more intelligible to hon. members. The tabulation is as follows:

	Crop year					
	Average 1930-34	Average 1935-39	1939-40	1940-41	Average 1926-29	Ceiling price
	c. bus.	c. bus.	c. bus.	c. bus.	c. bus.	c. bus.
Wheat No. 1 (Winnipeg).....	74·2	96·5	76·5	74·0	141·7	....
Oats 2CW (Winnipeg).....	36·1	42·0	35·6	34·8	59·7	51·5
Barley 1Fd. (Winnipeg).....	38·7	49·7	42·5	44·0	73·6	64·8

These figures, it will be noted, are for the crop years, and the prices are Winnipeg prices or what are more generally known as Fort William prices.

The table showing the figures for other farm products gives the prices for the calendar years. They are as follows:

	Calendar year					
	Average 1930-34	Average 1935-39	1940	1941	Average 1926-29	Ceiling price
	$ cwt.	$ cwt.	$ cwt.	$ cwt.	$ cwt.	$ cwt.
Beef cattle (Toronto).....	5·89	6·06	7·68	8·70	9·04	....
Hogs (live) (Toronto).....	7·70	8·93	8·57	9·95	11·61	....
	c. lb.	c. lb.	c. lb.	c. lb.	c. lb.	c. lb.
Butter (Montreal).....	23·7	24·8	26·4	33·7	38·2	35·3(1)
Cheese (Montreal).....	11·7	13·0	16·1	18·2(4)	18·9	25·0(2)
	c. doz.	c. doz.	c. doz.	c. doz.	c. doz.	c. doz.
Eggs (Montreal).....	33·6	32·3	32·3	34·6	48·2	46·0(3)

(1) Highest wholesale jobbing price during basic period.
(2) F.O.B. country shipping point.
(3) Spot cash delivered Montreal. This price 2 to 3 cents lower than wholesale quotation.
(4) For greater part of year price was 14·4 cents under contract, plus 1·6 cents Dominion bonus, plus 2 cents provincial bonus, plus Dominion quality premiums which average 1 cent pound for No. 1 cheese—Total, 19 cents.

[Mr. Gardiner.]

I place these prices on record to emphasize the fact that while the prices of farm products have been going up, during the first two years of the war, on an average during the second year of the war they were much lower than the average prices for the period 1926-29.

I have placed on record another set of figures, because they demonstrate something else. We will have in mind the fact that ceiling prices have been placed on certain farm commodities. Those ceiling prices are set out in the tables I have placed on *Hansard,* and I direct the attention of hon. members particularly to them.

May I make these further comments with respect to the ceiling prices. It will be noted that while the ceiling price for oats has been placed at 51·5 cents, the average for the 1926-29 period was 59·7. The ceiling on barley is 64·8, and the average for the period I have indicated was 73·6. No ceiling prices have been placed on wheat or cattle or hogs. However a ceiling of 35·3 cents has been placed on butter, as compared with 38·2 for the period 1926-29. The ceiling price on cheese is 25 cents, as compared with the average of 18·9 cents for the period indicated. The ceiling on eggs stands at 46 cents, compared with 48·2 cents.

I believe it will be found on examination of these figures that in so far as they have been established on products other than grain the ceiling prices are almost the same as the average prices found in the 1926-29 period. When one takes into consideration the increased volume, it will be realized that these products probably bring a higher net income to the farmer than they did at the average price between 1926-29.

There are certain farm products on which no ceiling prices have been established. In this list are wheat, cattle and hogs. No ceiling has been established upon those products as sold by the farmers; but there has been a ceiling established on beef, on pork, and on bread. Although it is not true of bread, it is true of beef and pork that the ceilings established on these products will make possible a price which will be somewhat higher than the average prices for hogs and cattle in the period 1926-29.

I wish now to make a statement to bring to the attention of hon. members the present position of agriculture. I have been speaking of the condition in which agriculture was at the end of the second year of the war. We are now six months into the third year of the war. May I say that there has been a higher floor placed under farm products since the beginning of the third year of the war. The floor prices for the third year of the war are higher than they were in 1941.

The Minister of Trade and Commerce has just stated that for wheat the advance or floor is to be 90 cents. That is a much higher advance than we had as a floor under wheat during the first two years of the war. He has also announced that the floor under oats will be 45 cents a bushel. May I point out that down to the present time there has been no floor under oats. This simply assures that any farmer who grows oats, whether in eastern or western Canada, will obtain a price based upon the floor of 45 cents a bushel at Fort William. The floor under barley is now 60 cents. In the past there has been no floor under barley. It will be noted, therefore, that for the third crop year of the war there has been established a floor of 60 cents under barley.

The only floor we have had under beef since the beginning of the war has been the agreement with the United States under which we offer our product to the market in the United States at approximately the United States price, less the reduced duty upon cattle going into that country. During recent weeks and at the present time that has given us a floor under cattle, at Toronto, of $9.90. This price is above the average of the period at which we have been aiming.

The price of hogs is $11.63 at Toronto. This is approximately the level at which we had been aiming under our policy of the first two years. Butter is 35¼ cents per pound, which is just about three cents below that average level of 1926-29. Cheese is 25 cents per pound, just a little more than six cents above that average level. Eggs are 32 cents, somewhat below that average level of 1926-29. This brings live stock products, on the average, to approximately the 1926-29 level. In the case of flax, which was dealt with to-day, the average price for that period was, I think, $2.05 a bushel, so that the price which will prevail in 1942 of $2.25 is 20 cents a bushel above the average price for the four-year period 1926-29.

Let me repeat that wheat and coarse grains are the two products which we have not yet advanced to prices which bear favourable comparison with the average prices for 1926-29. The fact that coarse grains have not advanced to the 1926-29 level is not so serious a problem from the point of view of the farmer as is the fact that wheat has not advanced to the level of 1926-29. The reason is that by far the greater part of all coarse grains grown in Canada are fed on the farms where they are grown. Those which are not fed on the farms where they are grown are being transported at the present time from one farm to another, whether it be an adjoining farm or a farm at the other end of Canada.

If it is a farm at the other end of Canada, the government is paying a very considerable part of the freight rate to move it from the one farm to the other. So that the prices of coarse grains in themselves do not play as important a part in the building up of income for the farmer as do products which are produced through feeding coarse grains, such as, butter, cheese, hogs, cattle, and so on. These products, occupying the position that they do in the price level, make it possible for the farmer to grow coarse grains and dispose of them indirectly at a price which approximates the price of 1926-29.

But the wheat growers are in a different class. They are growing a product which is used largely for the purpose of making bread or for human consumption. The price obtained for this product is the only income which the wheat farmer can obtain for by far the greater part of his investment and labour.

May I say that the prices which I have given to this house do not tell the whole story. When I say that to-day we are producing in Canada more than twice as many hogs as we produced in the last year before the war, you will realize that price does not tell the whole story in relation to the income obtained in Canada from hogs. When I say that there has been an increase in the production of nearly every other farm product since the beginning of the war, you will realize that volume as well as price plays a considerable part in the return which the farmer receives for the things which he has to sell.

The result is that the total farm income for 1941, including assistance given by federal and provincial governments—this includes acreage payments or subsidies paid for the production of hogs in Ontario and Nova Scotia, subsidies on cheese in Ontario and Quebec, and premiums paid by this government on cheese—taking all these into consideration, the result is that the total farm income in 1941 was $921 million as compared with an average of $966 million for the four-year period 1926-29. I cite these figures in order to emphasize that our farms across Canada drew an income in 1941 of $921 million as against an average income for the four years at which we have been aiming, namely, 1926 to 1929, of $966 million.

Mr. DOUGLAS (Weyburn): Has the minister a breakdown of that $921 million?

Mr. GARDINER: No, but I am going on to deal with it as related to wheat.

Mr. NICHOLSON: Has the minister the figures for 1939-40?

[Mr. Gardiner.]

Mr. GARDINER: I gave the prices for all years.

Mr. NICHOLSON: Have you the total figures?

Mr. GARDINER: Not at the moment, but I know they are considerably lower than that. This means that the annual average return per farm for the 1926-29 period was $1,368, while the average for 1941 was $1,245. A few more farms were being operated in the 1941 period than in the 1926-29 period. I would ask the house to contrast these returns, including those from wheat farming, along with all others, with wheat itself.

The average annual return for wheat in 1926-29 was $405 million, whereas the return in 1941, including all acreage payments, was only $210 million. That is, the return for wheat in 1941 was just a little more than half the average return in 1926-29. The average annual return for all farm products other than wheat during the 1926-29 period was $561 million, whereas the return in 1941 was $711 million. On the one hand, you have one product produced by the farmers of Canada, the income from which dropped from $405 million to $210 million. On the other hand, you have another set of products produced by the farmers of Canada, the income from which in the same period increased from $561 to $711 million. The annual return per farm in the first period was $795, whereas in 1941 it was $961. These figures leave wheat out of the picture. In other words, the return from products outside wheat in 1941 was better than the return in 1926-29, whereas the return from wheat in 1941 was only a little better than fifty per cent of the return in 1926-29. I should like hon. members to keep this fact in mind when we are dealing with the assistance that is to be given to wheat growers by means of the increase in the advance mentioned a few moments ago by the Minister of Trade and Commerce, and also under the provisions of the two bills to which before I sit down I am going to ask the house to give second reading.

It is to improve the position of the farmer who depends largely upon wheat that the advance on wheat has been increased from 70 to 90 cents. This, however, will only improve the position of the wheat farmer, on 280 million bushels of wheat, being the maximum of which we will receive delivery under the advance of 20 cents per bushel, by an increase in revenue of a maximum of $56 million, which will still leave the wheat farmer at least $176 million below the 1926-29 level. If we add the $20 million which he will receive under wheat

acreage reduction and the estimated $10 million under prairie farm assistance, he will still be $146 million below the 1926-29 level.

As I say, that part of the farmer's operations which is related to wheat will be down by about $176 million. We are going to try to improve this position by taking two steps. We are going to pay $2 an acre for wheat acreage reduction, which on the basis of our 1941 experience will bring $20 million. You will naturally ask me how that improves the position of the wheat farmer. Well, it would not if the government were prepared to take all the wheat the farmer could grow. But we are saying to him: No matter how good your crop is, we are going to take only 280 million bushels of wheat this year. It is quite a common thing in western Canada to produce on the average 15 bushels to the acre, and an average of 15 bushels to the acre on 20 million acres will produce 300 million bushels of wheat. It is possible therefore that if the farmers seeded 29 million acres in wheat, as some estimate they did in 1940, and grew even less than 15 bushels to the acre, they might have a very considerable amount of wheat which during this year they would not be able to market. So that the government is saying to the farmer, "we are prepared to pay $2 an acre for a reduction in wheat acreage, which may net you less income than the wheat would."

I should like to correct an impression that seems to have been abroad throughout Canada during this last year that this government was paying for summer-fallow. This government was not paying for summer-fallow last year. We were paying the farmer to reduce his wheat acreage. The discussion in the house last session by those who were in favour of the policy which was then brought before the house was to the effect that we had an enormous carryover, this was referred to by the Minister of Trade and Commerce this afternoon, a carryover which induced many of us to say last year that by the end of the crop year 1941-42, on July 31 next, we might have an amount of wheat on hand very much in excess of what the figures now indicate will be carried over. I think there were a few who prophesied a carryover of 700 million bushels, and some prophesied that we might even run close to the billion bushel mark. But with a short crop, and the reduced acreage under the wheat acreage reduction plan of last year, we are going to be down to about 400 million bushels at the end of this present crop year. We helped to bring about that reduction through a wheat acreage reduction policy.

The government still feels that it would be a mistake in this third year of the war to put the wheat acreage back to where it was in 1940. There is a difference of opinion as to what the wheat acreage was in 1940. Statistics have estimated that it was something over 27 million acres. The wheat board, I think, basing the figures on their permits, have figured it at something over 29 million acres, and the prairie farm assistance organization of the Department of Agriculture have estimated that the reduction from 1940 was approximately 9 million acres, which would place the total at about 29 million. So that if the wheat board's estimate of the average for 1940 is correct, and if our reduction figure, the actual amount of reduced acreage on which we shall be paying, is correct the wheat acreage at the present time should be somewhere around 20 or 21 million acres. It is the desire of the government this year to attempt to hold it at around 20 or 21 million acres. I want to emphasize that, because I noticed a newspaper article the other day in which it was suggested that the present act raised the proposed acreage from 65 to 80 per cent of 1940. That is not the intention of the present act, nor is it in accordance with the terms of the present act. The 80 per cent in the present act has only to do with farmers who in 1940 put practically all their land into wheat. On those particular farms they are only allowed to start their reduction from 80 per cent and work from there down, to earn the $2 an acre that is paid to those who put their reduced wheat acreage into summer-fallow or into coarse grains. Last year we paid $4 an acre when the acres. Last year we paid $4 an acre when the acreage taken out of wheat was put into summer-fallow, and this year we are paying only $2 an acre. Last year we paid $2 an acre on all coarse grains including flax. This year we are paying $2 on all coarse grains excluding flax. In other words we are paying $2 on the rye which was mentioned while the Minister of Trade and Commerce was speaking, but we are not paying $2 on flax because the government is prepared to guarantee a price of $2.25 a bushel for flax which it is hoped will induce the production of all the flax that is required.

It might be asked why we are anxious to have an increase in the production of flax and an increase in the production of coarse grains this year. The reason is found in what has been happening in the war in recent months. We had lengthy discussions last year as to the amount of coarse grains that would be required, and whether we could get rid of all our coarse grains if grown in the

quantities per acre in which they are sometimes grown. We also had lengthy discussions on the question whether we should increase the production of flax. I think I am correct when I say that the flax which we did produce last year was more than twice the amount required to keep the crushers which we have in Canada running, so that if nothing had happened which we did not expect at that time probably those who were then arguing on the other side would have turned out to be right. But many things have happened. Japan has taken possession of by far the greater part of the areas from which vegetable oils come, and immediately Japan took possession of those areas vegetable oils were not available to the allies. Those allies included all the democracies fighting on our side in this war. The United States will suffer from a shortage of oil, Canada will suffer from a shortage of oil, Great Britain will suffer from a shortage of oil, and so will all the other countries fighting on our side. The appeal is made to us to produce animal fats in the northern part of this continent, where it is very difficult to produce vegetable oils. We can produce more flax and soya beans. We can produce sunflowers from which oil can be taken. But we can produce more animal fats through increasing our hogs and dairy products and even through the production of beef. So we are making an appeal to our people this year, by putting a floor under the price of oats and barley; offering $2 an acre on land converted from wheat to coarse grains in order that we may produce animal fats to take the place of the vegetable oils which for the time being we are not going to be able to get. We are asking for more flax to increase vegetable oils. That is the reason for our action in that regard. It will be realized at once that the proposal does cut down somewhat on the return which the wheat farmer will get from the production of wheat. We are asking him to transfer from the production of wheat into the production of coarse grains and flax and hope he will make up by that means some, if not all, of the $146 million he is still below the average 1926-29 level.

I do not know whether members of the house fully understand the situation in western Canada, but I am quite certain that many of those outside the house who discussed the question and who have not been in that part of the country do not understand the problem which there is in western Canada. If you draw a line from Morden in the southern part of Manitoba straight to Lloydminster, which is on the boundary line between Alberta and Saskatchewan, up near the North Saskatchewan river, and then draw another straight line from there down to Calgary, and then from Calgary down to the United States boundary line, you will have mapped out south of that line what is known as the Palliser triangle in which it is difficult to produce anything in great volume except wheat. That is because of the nature of the soil, and because, too, of the climate in that particular area.

The important fact is that a million people are living south of that line. South of that line you have cities such as Regina and Saskatoon in Saskatchewan, and, over in the province of Alberta, Calgary, and many other smaller cities and towns in all the provinces. In that area, too, is a vast agricultural population. It is a greater agricultural area in one block than can be found in any other continuous block in Canada. When people are talking about closing up that area, as some do, they are talking about taking care of a million people; and if they are proposing to take care only of those who are on the farms, and on farms upon which only wheat can be grown to advantage, they are going to be asked to take care of at least half a million people. It is not so easy, therefore, to do as some people seem to suppose. They say, "Let them stop growing wheat while the war is on." But there is no way in which these farmers can make a living unless they can grow wheat, and if they cannot be left where they are they must be taken somewhere else where a living can be found for them.

With that picture in front of us, may I say that it is for these people particularly that twenty cents a bushel has been added to the advance which was placed upon wheat. Of course those who grow wheat in the districts just outside the area to the north will benefit to some extent, but that is not where the great bulk of wheat which flows out of western Canada comes from. It comes from the area to the south. As to the others, they are not only getting the twenty cents a bushel for the limited amount of wheat which they grow, but they are receiving an increased price for their live-stock products; increased returns for their coarse grains, if they have a surplus to sell; and in addition to that, what every farmer in western Canada is proud to do at the present time, they are serving the allies. It was not the $4 an acre which was paid for land taken out of wheat and put into summer-fallow, or the $2 an acre for land which was taken out of wheat and put into coarse grains, which induced the farmers of western Canada to do something which has not been done by any farming population anywhere else in the world either since this war started or before it—to take almost one-third of the acreage out of any one crop and to put

it to other use. It was not because they were going to make money by doing so—they were not—but because they were told it would help to win the war if they did do it, and they did it for that purpose. As I said last year when we were asking them to do it, it took at least a hundred million dollars out of their pockets, and we did not by any means manage to put all of it back in. We attempted to do so, it is true, but the poor crops of last year made it impossible. Not all of what was taken out went back by any indirect means. But this year again all these farmers are going to rise to the appeal which is made by this house, by the government of Canada, but more particularly by the British government and by the other allied countries by whose side we are fighting, to produce live-stock products in even greater quantity than they were produced last year. We have to do that if we are to meet the programme which has been marked out for us. We are asked to produce 600 million pounds of Wiltshire sides, to be placed at Saint John or Montreal to be shipped to Britain during this third year of the war. That is, we shall have to send each week four times as much as we sent to Britain in each week of the last year before the war.

This will give you some idea of the enormous task which the farmers of Canada have attempted. As you know, the hog year begins on the first of October, so that we are now in the sixth month of the operation, and up to the present time the agreed upon amount has been sent. It is going to be more difficult for them during the months which are ahead, but we believe that the farmers will place that amount of pork products at the harbours of Canada to be shipped to Britain during the summer months, thus bringing the total by the end of the year up to 600 million pounds.

Again we are going to be asked to produce, not for consumption here but for shipment to Britain, 125 million pounds of cheese, and the British and Canadian governments will agree on the price to be paid for it. I am not in a position to-day to announce the price, because the negotiations between this country and Great Britain are now proceeding, but it will be a price which will induce a production in Canada during the third summer of the war of at least 125 million pounds of cheese for the British market. You know what that means. It is 25 million pounds more than Canada produced in 1935, and it required more than we have produced in any year since 1925. Our production of cheese had been on the downgrade ever since the last war, but during the last five or six years it has been on the upgrade, and this year we shall send much more cheese to Britain than we produced only a few years ago.

We are not asked to send butter, but we have been requested to ship canned milk. That will be forwarded in increased volume. More and more of the food products of this country will be sent to Britain, but more particularly products which carry animal fats, to take the place of the vegetable oils which cannot now be obtained from other parts of the world, and thus assist in feeding the British people and contribute to the winning of the war.

The legislation—and by the way, it is not all legislation; some of these measures which were placed before you this afternoon by the Minister of Trade and Commerce will be carried out by order in council under the War Measures Act — assists toward that end. It will have the effect of giving a higher return to the farmers in the area from which most of our grain crops come. The regulations which will be enacted by order in council will also assist in the production of coarse grains, and of flax, from which vegetable oil can be taken. The measures which I have placed before you will have the effect of encouraging also the production of coarse grains and hence live stock.

I know that some hon. members would be interested in knowing something of the latest returns with regard to wheat acreage reduction during the last year. I will cite a few figures in this connection in order to make it possible for them to discuss the questions which are before them.

Mr. ROSS (Souris): Will the Minister of Agriculture explain the situation with regard to rye?

Mr. GARDINER: I said we were paying $2 an acre on rye raised on land which is taken out of wheat, and an additional $2 if it is still in rye in July, 1943.

Mr. ROSS (Souris): That is all that will be done?

Mr. GARDINER: That is all the encouragement we are giving this year. As a matter of fact there has been some difficulty, which I think can better be discussed in committee than here, with regard to handling rye in the last year.

Mr. ROSS (Souris): There has been no ceiling on it; is that it?

Mr. GARDINER: I do not know that one has ever been announced.

Farmers to the number of 186,892 applied for payment under the wheat acreage reduction regulations of last year. Of these 135,157 have been paid in full and about 50,000 have been paid in part. The part paid is I think in nearly all cases, if not all, 75 per cent of the total, and some adjustments have to be made on the other 25 per cent. Claims not

paid are 2,000, making a total of 187,000 in round figures. The amount paid out, $26,813,718.75, is the total up to February 28.

Under the Prairie Farm Assistance Act, 41,727 farmers have been paid $5,722,832.97. That will represent 60 per cent of the total to be paid out to these particular farmers. The other 40 per cent will be paid after March 1.

On prairie farm income the total number of farmers to whom payment has been made up to date is 147,137. The total amount paid, again on a 60 per cent basis, is $6,932,659.79.

In the bill to which I am going to ask the house to give second reading are embodied the principles of the regulations of last year. There will be some changes in the terms of the measure as compared with the regulations. The regulations attempted to average the acreage as between 1939 and 1940. There is an attempt in this bill to establish the acreages for 1940, and to go back to 1939 only in cases where there was no wheat in 1940, making payment on the basis of 1940 acreage in all other cases. The reason is to try to avoid some of the delays that occurred in the administration of the regulations this year.

Mr. BENCE: In connection with the payments under the wheat acreage reduction plan, has the minister any information regarding the payments to landlords?

Mr. GARDINER: Claims of landlords have been paid numbering 43,000, divided as follows: Alberta 11,000; Saskatchewan 26,000; Manitoba 6,000. There are some others to be paid.

Mr. NICHOLSON: Could the minister give the totals of the payments that will be made on these three accounts for last year?

Mr. GARDINER: The total for wheat acreage reduction is estimated at around $30,000,000. We cannot yet give it exactly. Some adjustments have still to be made.

The total for income will be between 16 and 20 million dollars. I am not in a position to give it any more exactly at the moment. The applications have not all been considered, hon. members will see. There were 186,000 that had reductions in wheat acreage, so that there will be a considerable number more to be paid.

Mr. QUELCH: From the work already done has not the government a record giving acreage average for 1939 and 1940 instead of taking 1940?

Mr. GARDINER: We have the established acreage for 1940 based upon the average, but a considerable number of farmers who did not apply last year may come in this year. It would bring in the same complications we had a year ago. I would prefer to leave these matters until we reach the committee stage. The intention is to send this bill to the agriculture committee and have these matters discussed there. It is our hope that the decision will be reached to base the calculations on the 1940 acreage. There is not a great deal of difference in the amount paid; the greater part of the difference concerns the difficulty in administering the act.

[Mr. Gardiner.]

Mr. LEADER: May I ask—

Mr. GARDINER: I wish hon. members would allow me to finish, and ask these questions in committee. I was just going to move that the bill be now given second reading and referred to the agriculture committee.

Mr. J. G. ROSS (Moose Jaw): In following the Minister of Trade and Commerce (Mr. MacKinnon) and the Minister of Agriculture (Mr. Gardiner) this afternoon in the first speech by a private member on this policy, I should like to set before the house certain information which I think will be of value in the debate which will follow here and in the committee.

First of all I should like to give the average price for wheat at Fort William-Port Arthur for the last thirty-two years, 1910 to 1941 inclusive. That price is $1.22 a bushel, basis No. 1 northern Fort William. That makes the average price at the farm in western Canada $1.07 for wheat, basis No. 1 northern, for the past thirty-two years.

For four years, 1915, 1916, 1917 and 1918, during the last war, the average price of wheat was $1.77 a bushel, and in 1917 on the open market wheat rose to, I think, $3.12 a bushel, basis No. 1 northern, Fort William.

Mr. GLADSTONE: What was the price of sugar then?

Mr. ROSS (Moose Jaw): About $30 a bag. Wheat rose to the price of $3.12 a bushel, but the government of the day immediately decreased the price to $2.21. I am not saying that was an improper thing to do.

Mr. PERLEY: Same old stuff.

Mr. MacKENZIE (Lambton-Kent): I know it all by heart.

Mr. ROSS (Moose Jaw): I am endeavouring to show that during the last war, because there was a scarcity of wheat, the government of Canada thought it proper to reduce the price from that which could have been obtained in the world market. By the same token I say that in this war the government has the responsibility of seeing that the price of wheat does not go too low because there is a surplus.

The average price of wheat for twenty-eight years of the last thirty-two, excluding

the four war years, was $1.07 a bushel, basis No. 1 northern Fort William, or 92 cents at the farm in western Canada.

The average amount of wheat from the western inspection division which is milled for consumption in Canada as flour amounts to about ten to fifteen per cent of the western wheat crop in any one year. Therefore the remainder of eighty-five to ninety per cent of the western wheat crop is not used for the production of flour for domestic use in Canada. Eastern wheat is practically all used for domestic purposes in Canada. Ordinarily about 6 million to 7 million bushels is milled for flour, mostly for pastry and cake flour, the remainder of the wheat crop of eastern Canada being used as feed. Therefore the whole wheat crop of eastern Canada is generally used for domestic purposes. The amount of the western wheat crop that goes into flour in Canada, to be used by the bakers, is from five to seven and a half per cent. The proportion of flour from the western wheat crop that is sold to the housewives of Canada amounts to about the same percentage; and by far the greater part of the flour sold to the housewives of Canada is purchased and used upon the farms of this country.

The position of the farmer in the last war was that his price was held down because of a scarcity. The price of wheat in the last war cannot be used as a guide for the price of wheat in this war, but it is surely reasonable to expect that in this war the government and people of Canada should see to it that the apparent surplus of wheat is not used to depress the price of wheat in this country to an unduly low level.

There is another thing I should like to say in connection with the wheat farmers of Canada. The greatest trouble we have encountered in our whole economy, and the economy of the allies during this war, is that we found practically no one who was organized to produce the amount of material we needed for the war. Our manufacturers, our producers of other farm products than wheat, our shipbuilders—none of these could turn over to the government of this country or to the allies the required amounts of any materials required for the war. Only one person stands out in this regard in our economy; that is the wheat farmer.

Mr. HANSON (York-Sunbury): What about mechanical transport?

Mr. ROSS (Moose Jaw): No. We could use a great deal more mechanical transport than we can get to-day.

Mr. GRAYDON: Please don't forget eastern agriculture.

Mr. ROSS (Moose Jaw): I am not forgetting it, but I am saying that it did not have a surplus of anything that was required for the war effort. Further I say that no food commodity is so vitally needed during war time as wheat. The western farmer has been in this position, that he has produced not only what we have needed but also a surplus for our needs in the future. There has been no worry whatever on the part of Great Britain or our other allies in regard to bread during this war. Then we use that surplus, which we need and must have, as a basis for saying that economically wheat is not worth a certain price to-day, and as a result we depress the price of that wheat.

Mr. McNEVIN: Is that not due to the fact that there is a greatly reduced demand for wheat and a greatly increased demand for hogs and these other commodities?

Mr. ROSS (Moose Jaw): Yes, because there was no surplus of hogs, but there was a surplus of wheat. To-day there is no surplus of hogs being produced, but there is a surplus of wheat. There was a surplus of hogs before the war, and there will be a shortage of wheat before this war is over, regardless of the figure that was given to-day by the Minister of Trade and Commerce (Mr. MacKinnon). I have said that wheat is a vital necessity during the war. If the position were reversed; if we did not have that surplus of wheat, the Minister of Trade and Commerce would have risen in his place in this house to-day and offered the western farmer anywhere from $2.50 to $3 a bushel in order to get the wheat that was required. That must be admitted.

An hon. MEMBER: Make it $4.

Mr. ROSS (Moose Jaw): During the last war they paid more than $4; the price was $4.40 at Liverpool. There has been a good deal of discussion throughout the country in regard to ceiling prices, and a few moments ago the Minister of Agriculture (Mr. Gardiner) discussed some phases of this matter. Ceiling prices were set for the purpose of preventing sudden rises throughout the country, and inflation; and I think we all admit that it was a proper thing to do. But when these prices were frozen proper regard was not had for the relation between the price of one commodity and the price of another.

Mr. HANSON (York-Sunbury): What the hon. member is saying is that it was an uneven price level?

Mr. ROSS (Moose Jaw): Surely.

Mr. HANSON (York-Sunbury): I agree with the hon. member.

Mr. ROSS (Moose Jaw): At that time western wheat was at a much lower level, in comparison, than any other commodity in Canada.

Mr. PERLEY: Where will 90 cents take it, then?

Mr. ROSS (Moose Jaw): There has been no ceiling price set on wheat, which I think is a perfectly proper position for the government to take at this time.

Mr. DOUGLAS (Weyburn): The Minister of Finance (Mr. Ilsley) said there was.

Mr. ROSS (Moose Jaw): My hon. friend will have a chance to make his speech shortly.

Mr. DOUGLAS (Weyburn): The Minister of Finance said there was.

Mr. ROSS (Moose Jaw): I do not know what the Minister of Finance said; I say there is no ceiling price for wheat in Canada. There are many reasons why there should be no such ceiling on wheat. In the first place there are the figures I gave in the early part of my remarks. Only from 10 to 15 per cent of the western wheat crop is used for the purpose of milling wheat into domestic flour in Canada. Therefore it would not be logical to set a ceiling price on a commodity of which only about 15 per cent is used in this country, while the other 85 to 90 per cent is exported. Another argument is that at no time in this country has the domestic price for wheat set the price of western Canadian wheat. The price of that wheat has always been set in the world market, in competition with other countries. The amount of wheat sold in Canada has had very little to do with the price of western wheat at any time. We are the greatest exporter of wheat and wheat flour in the world, and surely it would be a ridiculous position for us to take to set a ceiling on a commodity of which we export such tremendous quantities. In effect we would be saying to the world, "We do not believe this product is worth any more than a certain set price, which has some relation to the use of wheat for milling domestic flour in Canada." As a western representative I must say this, that I will not accept, nor will the people of western Canada accept, any economy for western Canada based on 90-cent wheat at Fort William, or anything near that figure, for the duration of the war.

There is no ceiling price on hogs but, as the minister said a moment ago, there are ceiling prices on pork, bacon and ham. There is no ceiling price on live cattle, but there is on beef over the counter. There is no ceiling price on wheat. We may need a ceiling on the products of wheat consumed in Canada. It may be necessary to hold to the ceilings as set to-day for flour and bread in this country, but I do not admit that wheat for domestic consumption as flour or bread must be sold as low as 90 cents a bushel, basis Fort William, to protect those ceilings. Nor do I admit, either, that the present ceilings on flour or bread in Canada are necessary to maintain ceilings on wages in industry.

In order to clarify that statement I should like to place on record a few figures with respect to wheat, flour, bread and industrial wages over a period of years. I hold in my hand a table prepared by the bureau of statistics giving prices on wheat No. 1 northern, basis in store Fort William; flour, first patent, per barrel, Montreal rate points; dominion average retail cash price per pound of standard white wrapped bread, and average wages paid in manufacturing industries of Canada, per year. The table I would ask permission to place on *Hansard* is as follows:

	No. 1 northern wheat, basis in store Fort William-Port Arthur	Flour first patent per 2—98's jute basis l.c.l. Montreal rate points	Dominion average retail cash price per pound of standard white wrapped bread	Average wages paid in the manufacturing industries of Canada
	$ per bu.	$ per bbl.	c. per lb.	$ per wage-earner
1926	1.50	8.82	7·4	999
1927	1.48	8.25	7·5	990
1928	1.35	7.77	7·7	1,021
1929	1.34	7.93	7·4	1,042
1930	.94	7.02	7·4	995
1931	.59	5.03	6·4	950
1932	.56	4.81	5·9	844
1933	.61	5.09	5·6	777
1934	.75	5.50	5·6	830
1935	.84	5.43	5·7	870
1936	.94	6.08	5.9	896
1937	1.34	7.73	6·6	965
1938	1.02	6.49	6·7	956
1939	.65	4.99	6·2	975
1940	.77	5.91(a)	6·2	...(b)
1941	.75	5.73(a)	6·5	...(b)

Dominion Bureau of Statistics, March 7, 1942.

(a) Includes processing levy. (b) Not yet available.

[Mr. R. B. Hanson.]

It will be noted that when wheat sold at $1.34 in 1929 the price of bread was 7·4 cents, or exactly the same as it was when wheat sold at $1.50. Then, in 1938 the price of bread was 6·7 cents per pound, or one-tenth of a cent per pound higher when wheat was $1.02 per bushel than when it was $1.34 per bushel, in the preceding year.

Reference to the table will show that in 1941 the price of wheat was 75 cents a bushel and that of bread, 6·5 cents a pound, whereas in 1937 when wheat was priced at $1.34 a bushel bread stood at 6·6 cents a pound, or one-tenth of a cent more to make the difference between 75-cent wheat at Fort William and $1.34 wheat at the same point.

Mr. McNEVIN: Does the processing tax affect these prices?

Mr. ROSS (Moose Jaw): The processing tax does not appear in the second table, but it does in the first, and there is a note to that effect at the bottom.

The second table I should like to place on *Hansard* was prepared by the bureau of statistics, and has reference to the wholesale prices of wheat, wheat flour and bread for the calendar years 1910 to 1941 inclusive. If I have the permission of the house I should like to place the table on *Hansard*.

Mr. SPEAKER: If the hon. member has the consent of the house he may place the table on *Hansard,* but I wish to point out that this is a practice which should not be encouraged, and if it is continued unduly it will have to be forbidden. If the table is to be placed on *Hansard* it will have to be done with the unanimous consent of the house.

Some hon. MEMBERS: Agreed.

Mr. ROSS (Moose Jaw): I thank hon. members for their courtesy. The table is as follows:

Wholesale Prices Wheat, Wheat Flour and Bread

Calendar year	No. 1 Wheat[1] cash Wpg. c. bus.	Flour Man. 1st patents Mont. & Tor. $ brl.[2]	Bread plain white Toronto c. lb.
1910	100·0	5.68	....
1911	95·5	5.31	2·76
1912	97·4	5.60	2·67
1913	88·1	5.38	3·12
1914	100·1	6.01	3·17
1915	128·2	7.26	3·42
1916	138·1	7.91	4·00
1917	220·2	11.91	6·06
1918	222·3	11.66	6·70
1919	237·3	11.42	6·6
1920	253·4	13.84	7·7
1921	164·9	9.72	6·4
1922	123·5	7.65	5·2
1923	108·4	6.87	5·3
1924	127·4	7.40	5·7
1925	164·1	9.42	6·7
1926	149·5	8.82	6·7
1927	148·1	8.25	6·7
1928	134·8	7.77	6·7
1929	134·3	7.93	6·2
1930	94·2	7.02	6·0
1931	58·7	5.03	6·0
1932	55·6	4.81	6·0
1933	61·0	5.09	6·0
1934	74·8	5.50	6·0
1935	84·4	5.42	6·0
1936	93·7	6.08	6·0
1937	134·0	7.72	6·4
1938	101·5	6.49	6·4
1939	64·5	4.98	6·0
1940	77·2	5.61	5·3
1941	74·7	5.50	5·3

(1) Calendar year average price.

(2) 1910-18 delivered Toronto; 1918 to date car lot f.o.b. Montreal and Ontario lake and rail points.

Source: Prices and Price Indexes, Dominion Bureau of Statistics.

Reference to this table will indicate that in 1910 flour sold in Montreal and Toronto for almost the same price at which it is selling in those cities to-day. In 1911, with wheat at 95·5 cents a bushel, flour sold in Montreal and Toronto at $5.31 a barrel, or 29 cents a barrel less than to-day's price.

It will be noted that in 1922, with wheat at $1.23 a bushel, bread at 5·2 cents a pound was selling at one-tenth of a cent less than it did in 1941, with wheat at 74·7 cents a bushel.

Mr. HANSON (York-Sunbury): Does the hon. member offer any explanation for the apparent discrepancies? There is the question of taxation, cost of doing business, and other things which enter into these differentials.

Mr. TUCKER: The farmer is affected by those things. He has to take the rap; that is what the hon. member is pointing out.

Mr. ROSS (Moose Jaw): As I follow through, my hon. friend may see some reason. An examination of these figures shows that prices of wheat and flour bear little relationship to the price of bread. They show clearly that the flour price to the baker could be raised considerably without affecting the price of bread in Canada to-day. The figures show clearly also that with wheat prices considerably above 90 cents Fort William, flour has in the past been sold at prices per barrel Montreal and Toronto which were under present ceiling prices.

I wish to be absolutely fair to both millers and bakers of Canada. If the war-time prices and trade board maintain that present ceilings for bread and flour must be continued in order that Canadian consumers may be fairly dealt with, then wheat should be sold to the millers for the production of flour to be consumed in Canada at 90 cents a bushel Fort William until such time as the millers can prove that that is not the proper price for wheat to be milled and sold as flour under present ceiling prices. At no time should the Canadian miller pay more than can be procured elsewhere for wheat to be milled into flour. At no time should the wheat producer sell to the Canadian miller at a lower net price than can be obtained elsewhere. We must bear in mind, of course, that the war has upset our regular markets, that it is difficult to ship, but these factors should not detract too much from the value of wheat in our hands at the present time.

If it is found necessary to subsidize the Canadian miller in order to maintain the ceiling price of flour so that the Canadian consumer can be placed in a preferred position in regard to bread and flour, the responsibility is that of the Dominion of Canada, not of the wheat producers of Canada. Before a proper price for flour to the baker can be determined, many economies in that industry will have to be effected. Wrapping, slicing and delivery could be greatly curtailed. It certainly looks like a waste to see two, three or four bread carts or trucks covering the same block in a city day after day. All these expenses enter into the cost of a loaf of bread. More people in this country could carry home their bread. There are people in a great many parts of the world who would walk quite a distance to-day to get even a part of a loaf of bread. A one-pound loaf of bread contains only about one-half pound of flour. At the present price to bakers in Canada, that one-half pound of flour is worth exactly one and a quarter cents, or about fifteen per cent of the cost of the loaf of bread. You cannot make any great economy there, you have to make it somewhere else. So, before you start to economize on the wheat or the flour that goes into the bread, you must first look at the other costs. The flour that bakers use is second patent, which is sold at a much lower cost than the first patent flour which is used by the housewife.

In connection with the milling industry, before we start to economize on wheat there are possible savings which might be surveyed in connection with packaging and methods of sale and distribution. First of all, we must determine the proper price relationship between first patent flour used by the housewife and second patent flour used by the miller, or the baker. I did not make a mistake altogether there because in many cases in this country the bakers are the millers. We must consider the price of export flour in relation to both types of flour sold in Canada, the prices of feed flour, bran, shorts and middlings; all these factors and many more must be taken into consideration before the price of wheat can be determined to maintain flour at ceiling prices.

The prices of other grains as set forth to-day by the Minister of Trade and Commerce bear a fairly proper relationship to the advance of ninety cents a bushel for wheat. Coarse grains are badly needed, and a floor of forty-five cents under oats would assure the farmer of his position in growing oats in relation to wheat. A floor of sixty cents under barley would assure the farmer of his position there and, in my opinion, would switch many farmers in the coming year from the growing of wheat to the growing of barley. A price of $2.25 a bushel for flax may appear high to some, but it will not greatly increase the production of

flax because of price alone. Flax is a speculative crop. It is difficult to produce and handle and it is of low average yield.

Mr. SPEAKER: I would call the attention of the hon. member to the ruling I gave in connection with reading speeches.

Mr. ROSS (Moose Jaw): I cannot see very well and the type is quite large in my notes. As I say, a price of $2.25 a bushel for flax will not greatly increase the production of that grain in Canada. But if this government tells the western farmers that flax is needed badly to augment the supply of vegetable oils in this country, that it is the patriotic duty of the farmers of western Canada to produce large quantities of flax regardless of the price offered this afternoon by the Minister of Trade and Commerce, the western farmers will go out and do their part in that regard. The western farmer is the best citizen we have in this country and wants to pull his weight during this war.

The wheat acreage reduction enunciated by the Minister of Agriculture is a common-sense policy that will tend to increase the production of badly needed coarse grains. The amendments to the Prairie Farm Assistance Act are there to protect producers of low yielding crops. The amendment made in order to allow the Minister of Agriculture to declare an emergency year regardless of price is a proper one because the farmer who will have a low yield this year has it because he has no control whatsoever over the circumstances. He will do the same job that any other farmer will do, but if climatic conditions are such that his yield will be low he should be protected and kept in a position to be ready to produce again as quickly as possible.

I still consider that a proper price for wheat in Canada is at least $1.20 a bushel, basis Fort William, in comparison with prices of other commodities in this country. I have not time at the moment to quote from a booklet I have here, but I would advise all members of the house to read it. It is put out by one of the western grain companies, and is known as the Searle Grain Index. It gives a complete picture of the western wheat grower and shows that whereas costs of living to the industrial workers have risen from 100 in 1913-14 to 146 to-day and their wages to considerably above that figure of 146, the western wheat grower whose costs were 100 in 1913-14 has costs of 150 to-day, and under the old price of wheat, 74 cents a bushel, basis Fort William, his revenue from wheat amounts to 81 per cent of what it was in 1913-14.

Mr. CASTLEDEN: If the hon. member will permit a question, is that price of $1.20 basis Fort William, which he said was a proper price, his estimate of a parity price for wheat at the present time?

Mr. ROSS (Moose Jaw): That is my estimate of the proper price for wheat in comparison with present prices of other commodities in Canada.

Mr. DOUGLAS (Weyburn): Then go to work on the government.

Mr. ROSS (Moose Jaw): Maybe I have done more work than you have.

Mr. ROSS (Souris): How much headway have you made with the minister?

Mr. ROSS (Moose Jaw): Along with others in this House of Commons I have endeavoured for some years to inform the Canadian people and the members of the House of Commons of the position of the western farmer in our economy: I have tried to show them the advisability of meting out justice and fair play to the western farmer, and we have made substantial gains in that regard both in this house and in the country. I am certain that there has been a great change in the attitude of members from all parts of the dominion in regard to the plight of the people of western Canada and that to-day they are better informed and more sympathetic. Slowly but surely the members of this House of Commons and the people of Canada generally are coming to see that the present wheat surplus is not a burden but a great asset to this country.

Wheat is the most valuable food in wartime. The Secretary of Agriculture of the United States has stated that food will write the peace. It will, and food, especially wheat, will help to fight this war. The promise of food, notably wheat, to the enslaved peoples of Europe will do wonders for the allies once they start to invade Europe, and that surplus of wheat now held in our elevators in Canada can then be used to great advantage. A large part of that surplus will be badly needed by our valiant ally, Russia, in the very near future. Governments of European countries which have been overrun are to-day carrying in other parts of the world large sums of money which they can and will use for the purpose of buying wheat for their peoples just as quickly as they can be liberated. Much of that money will be used to purchase wheat from this continent as soon as that is made possible. As a matter of fact, the government of one overrun country in Europe to-day have purchased some millions of bushels of wheat and some millions of bushels of barley, and they have that wheat and barley, not as an option, but bought and paid for and stored to-day in Canada and the United States against the day when their people are liberated. Wheat is valuable and will be

valuable. Gradually the people of Canada are coming to see that it is a short-sighted policy to gauge wheat as a burden at this time.

With these thoughts in mind, Mr. Speaker, and looking at the broad picture of agriculture in Canada to-day, taking into account the assured position of the farmer in regard to butter, milk and milk products, cheese, cattle, hogs, wool, eggs, flax, barley, and oats, and an advanced price for wheat of 90 cents a bushel, which is still too low in my estimation, and in addition the wheat acreage reduction policy announced to-day by the Minister of Agriculture and amendments to the Prairie Farm Assistance Act, I commend both the Minister of Trade and Commerce for the information which he has given to the house and the policy he has brought down to-day, and the Minister of Agriculture, and I say to the government that on the whole they have done a good job and I am going to support them on all these measures.

Mr. W. A. TUCKER (Rosthern): Mr. Speaker, I should first of all like to express to the Minister of Agriculture (Mr. Gardiner) the appreciation of myself and my constituents of the Prairie Farm Assistance Act. Some weeks ago I communicated with several of my constituents as to what they thought the proper wheat policy should be for this year. I did so for the reason that I believed there was too much concentration on the question of price and not enough attention paid to some of the other things which had been done by the Minister of Agriculture and this government. I got 194 replies, seventy beseeching me at all costs to see that nothing was done to detract in any way from the Prairie Farm Assistance Act, that it should be left as it is, if not improved, but that payments under it might be a little more liberal. Of the others, eighty said they wanted to be sure that the Prairie Farm Assistance Act was left in force, and they would like an increase in the price if it were possible for the government to grant it. Of the 194 letters which I got, 150 therefore laid their main emphasis on the Prairie Farm Assistance Act. Many of them said it was the first time that any government had done anything to add a certain amount of security to the position of the farmer on our western plains, subject as he is to the continual fear of crop failure.

The situation so far as the present Minister of Agriculture is concerned has been this, as I see it: that he, coming from western Canada, knows as well as anybody living in that country the difficult position of the western farmers; but, being a member of a government which must govern with the consent of a majority of the people of Canada, naturally he cannot dictate the policy of that government, and it has only been possible for him to secure the adoption of some of the ideas which he thought necessary. For that reason, because everything was not done which we in western Canada advocated and which, I believe, the minister would have liked to see done, there has been a tendency on the part of some elements to concentrate their attacks upon him and to pretend that he has not done his best for the western farmers. In my humble judgment the present Minister of Agriculture has done more for the farmers of the west than any other Minister of Agriculture since confederation. I would like those who attack him to remember that no matter what government is in power, be it Liberal, Conservative, Cooperative Commonwealth Federation or Social Credit, of necessity a majority of their parliamentary supporters would come from elsewhere than western Canada, and that the west cannot hope to dictate to a dominion government, no matter of what political stripe. If we are to have fairness in public life we must give credit where credit is due.

Further, to what does this sort of campaign lead in a country like ours? The man who takes the initiative in fighting for a minority, such as are the western farmers, finds that the more he gets in the public eye, the more severely he is condemned. The result of such attacks is to create a tendency on the part of many public men to take the attitude that the less we do, the less we are in the public eye. If we are in a position such as western representatives find themselves in, the less we are in the public eye, the less likely we are to provoke attack, and therefore the best way to get by is to do as little as possible.

Another thing to be remembered is that the history of representatives from western Canada shows that time after time, after they have fought their very best to get a square deal for the west, the fact that they were not able to get all that westerners thought they should get has been the basis of charges that they had "sold out" the people and not represented them as they should have done. As a result, we have destroyed some of the best fighters for western Canada who ever came to parliament. The effect of this kind of thing is that western representatives, including those supporting a Cooperative Commonwealth Federation government, if ever there is one in this country, will be advised by the cynic, "Don't fight too hard for your western farmers, because you will never satisfy them, you will not be able to get the rest of the country to agree with what you want to do, and ultimately you will be 'crucified' no matter how hard you work or what you accomplish."

I suggest to our people in the west that they try to sort out their friends from their enemies, that they distinguish the people who are trying to serve them to the best of their ability and are getting results, even if not all they would like, from the people who pretend that if they were in office all would be like paradise as far as western Canada is concerned. I hope the people of the west will not be misled by the campaign which has been carried on, as I see it, against a man who, in the position of Minister of Agriculture, has worked harder for western Canada than any man who previously occupied that position.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. TUCKER: When the house rose I was dealing with the Prairie Farm Assistance Act, and I wish to deal further with it for a few minutes before I pass on to the price of wheat.

As I understood the minister, the suggestion is made that the government is taking power to declare an emergency year even if the average price of wheat is over 80 cents, basis No. 1 northern Fort William, during the three fall months; but it is not proposed to change subsection 1 of section 2 of the act, which provides that the amount that may be paid in townships which have an average yield of eight to twelve bushels to the acre shall be paid on the basis of the average price of wheat between 70 to 80 cents. In other words, as the act now stands, if the average price during the three fall months is, say 72 cents No. 1 northern, Fort William, the amount paid in townships in that category, the 8 to 12 bushel, would be 80 cents per acre on one-half the cultivated acreage. If the price were 75 cents, the price that could be allotted in the townships from 8 to 12 bushels average per acre would be 50 cents per acre. If the initial price of wheat is raised to 90 cents and if the grain exchange functions at all, I presume it will function at a price over 90 cents, so by that very fact, unless this section is amended, the people who have received assistance in the past in the 8 to 12 bushel category will not get it any more. The reason for no change being made is, I believe, that the price being raised to 90 cents, you do not need to worry very much about the person in the 8 to 12 bushel category. I do not agree, for anyone in that category, supposing he had 8 bushels per acre, would have only six bushels for sale, and that would mean he would not have very much income.

I suggest that very serious consideration should be given to amending this so that in an emergency year anyone in the 8 to 12 bushel category should get a dollar just the same as anyone in the 4 to 8 bushel category would get $1.50 for half his cultivated acreage.

Some may think that would mean a tremendous drain on the treasury. I took the trouble to look up the relative amounts paid in the various categories in the last two years, namely, 1939-40 and 1940-41. The year 1941-42 is not yet complete, so I have not those figures.

I found that the total amount actually paid out in those years was as follows:

1939-40		
Amount paid out under all categories	$ 6,712,201	
Amount collected from the farmers	2,582,687	
Cost to the treasury of Prairie Farm Assistance Act		$ 4,129,514
1940-41		
Amount paid out under all categories	$ 9,904,300	
Amount collected from the farmers	2,421,507	
Cost to treasury of Prairie Farm Assistance Act		$ 7,482,793
		$11,612,307

Therefore the total cost of this act, which has meant so much in the way of security to the farmers of western Canada during those two years, was only $11,612,307. That meant actually a subsidizing of the price of wheat by the treasury of this country to the extent of a little over one cent a bushel.

Actually in all the categories, the payments were as follows: In the eight to twelve category during those two years payments were made to 69,783 farmers; in all the other categories, including the crop failure categories, payments were made to 40,353 farmers, so that actually there were 50 per cent more farmers who got payments in the 8 to 12 category than in all other categories put together. The amount involved was as follows:

In the eight to twelve category..	$7,466,668
In all the other categories, including the crop failure categories..	9,149,828

Therefore if amendment is not made to leave the eight to twelve category in, you will eliminate more than half the farmers who drew benefits during those two years from the Prairie Farm Assistance Act. If you have similar years in future, you are elimin-

ating almost half of the money paid out under the Prairie Farm Assistance Act.

I submit that in view of the fact that this policy cost the treasury of this country only a little over one cent a bushel (spread over all wheat marketed) and that it means so much in the way of security to the western farmer, and has cost the treasury in two years only a little over eleven and a half million dollars, when you are increasing the price to the farmer who has wheat you should not deprive the farmer who has a small crop of eight to twelve bushels of the bit of protection he has already.

I most earnestly urge the government to make an amendment so that you do not take away from the farmer in the eight to twelve category the bit of protection he has under the Prairie Farm Assistance Act.

The benefit received under this act in the case of crop failure is $2.50 per acre; on half your acreage that is $1.25 an acre. Anyone who knows anything about farming in western Canada knows that is not adequate for a farmer to pay for his loss of crop and keep himself and family during the next year.

Instead of cutting down the payment I earnestly suggest that the government consider increasing the payments under the Prairie Farm Assistance Act and particularly in that category, and that the protection now given in the eight to twelve category should not be taken away.

Coming now to the question of the price of wheat, I should like to urge this House of Commons to approach the matter of dealing with our western Canadian farmer in the same spirit as that in which we asked our people to approach the problem of dealing with people in other countries. We know that last August the Prime Minister of Great Britain, Right Hon. Winston Churchill, and the President of the United States, met and signed what is known as the Atlantic charter. Clause 6 of that charter reads:

> After the final destruction of the nazi tyranny they hope to see established a peace which will afford to all nations the means of dwelling in safety within their own boundaries, and which will afford assurance that all the men in all the lands may live out their lives in freedom from fear and want.

Mr. Speaker, if that is the objective for which we are fighting this war, that the people in all lands of the world should be able to live out their lives in freedom from fear and want, is it not time that the members of this house should actually say that they will apply that to their own fellow Canadians? Continually I am meeting fellow Canadians in western Canada who say, "Here are the noble principles of the Atlantic charter; Canadians in western Canada are sending their men in as large a proportion as any other part of Canada to fight for these principles; if we cannot get them at home, what real hope is there of getting them established in the world at large?"

Some one may say that I am exaggerating the situation. I have not much time to prove my point, but I think I can give some figures that will establish it to any fair-minded man in this house.

The province of Saskatchewan made a submission to the Sirois commission, and in that connection they made a very careful survey of their debt situation. They found that the agricultural debt in Saskatchewan in 1937 was $525,000,000. I need not go into the reason for that, except to say that no doubt the interest being charged was too high. Many people were paying more than eight per cent. If the interest had been five per cent and the debts had been amortized, there would have been very little debt comparatively in western Canada in 1937. But be that as it may, the debt upon Saskatchewan farming was $525,000,000, or $15 for every acre of cultivated land in that province.

Everyone knows also that during the past several years, with prices so low, certainly the farmer needed the two-thirds of the crop he was allowed to retain to live on and the one-third left would often barely pay taxes and perhaps a very little on the principal and interest. What has been the situation, then? I wish this to be considered by people in the other parts of Canada. Year after year men who went into that country in the early days, who worked there during all their lives and had their families working with them, who lived on a very low standard of living, have seen their equity being cut down, until finally someone has come along and said, "You no longer have any equity left in your land." Then what happens? When they get around seventy years of age they are told, "You might as well let us foreclose, and you can live on the old age pension," or something to that effect. I venture to say that seventy-five per cent of the farmers in Saskatchewan have seen their equities in their land and their homes gradually disappear. The farmer has no place to go with his family, unless he wishes to go on relief in the cities and towns. He sees his equity vanishing; he sees the time approaching when he will be told that his equity is gone and that he might as well let himself be foreclosed. Could anyone in this house say that those farmers, seeing their equity reduced inexorably year after year, were free from fear, the fear of losing their homes and, with their families, being cast out? I know it will be said that there is

debt adjustment legislation which is intended to prevent these foreclosures; but when the equity is wiped out, the tendency is for the man to be told, "You no longer have an equity, and you might as well quit struggling."

This is something we should all consider. I absolutely agree with the Prime Minister (Mr. Mackenzie King) that if we are not well on the way to a new order in Canada before this war ends, then our chances of getting it after the war are not so good. I ask the government, as I ask every hon. member, in approaching this question of the price of wheat to bear in mind the situation which prevails in western Canada, and to determine that we in this house will apply the principles of the Atlantic charter to our fellow Canadians.

As an example of what is happening, not only on western farms but all over Canada, in the 1941 "Canada Year Book" I find that the average value of farms and equipment in Canada in 1941 is given as $13,814. For 1931 it is given as $7,185, a drop of over $6,000 for the average Canadian farm and equipment, or almost fifty per cent. If you have operating also an increase in debt due to inability to pay interest and principal, you can see how equities can be reduced year by year. Someone may say, "Well, your western farmer lives too extravagantly." Again I go to the year book; I cannot give all the figures, but I should like to compare the western farmer with the Ontario farmer in certain respects. I find that according to the census of 1931 Ontario farmers having cars comprised 65·4 per cent of the farmers of Ontario, while the farmers of Saskatchewan having cars comprised only 47·7 per cent. Ontario farmers with telephones comprised 54·1 per cent; in Saskatchewan the figure was 34·2 per cent. In Ontario 21·5 per cent of the farmers had radios; in Saskatchewan 20·2 per cent had radios. Ontario farmers having gas or electricity totalled 16·8 per cent, while in Saskatchewan the figure was 2·8 per cent. Farmers having piped water in their kitchens, and so on, totalled 10·4 per cent in Ontario and only 1·4 per cent in Saskatchewan.

This situation is reflected in our educational services, our medical services and all the other services we give our people. To-day it is extremely difficult to get doctors to stay in rural districts; it is very difficult to keep rural schools open in more outlying districts particularly. Here is the situation, and I put it to members of this house point blank. Would you, for any reason, I do not care what it is, say you are going to have one first-class type of citizen in Canada and then another, a second-class type, who cannot afford the same education, who cannot afford the same medical services as people in other parts of the country, at the same time that you are asking these young men to go out and give their lives, together with the first-class citizens of Canada? These may be regarded as harsh words. We can close our ears to them if we wish, but the facts are there, for every member of this house to see. We are all members of the Canadian parliament, and we should not close our eyes to the situation that is before us.

Someone may say, "Well, you have not proved that your income is low in Saskatchewan." I should like to give a great many figures, but I might give just enough to indicate that there is real truth in what I am saying. I have before me figures as to the per capita national income by provinces in 1927 and 1940; I have them for all the provinces, but I cannot take time to give all those figures. The average per capita income in Ontario in 1927 is $511. In Saskatchewan, in the same year, the average per capita income was $466. Then we come to 1940. In that year the average per capita national income in Ontario had dropped to $505, but in Saskatchewan it dropped to $261, or by almost fifty per cent. Then we might take the receipts from the sale of farm products, by provinces, which will give the gross agricultural income, based on the average from 1926 to 1929. In Quebec the average income during that period was $101,000,000, in round figures. In 1941 that income had increased to $136,000,000. The average agricultural income in Ontario from 1926 to 1929 was $260,000,000, and in 1941 it had increased to $284,000,000. In other words, there was an increase in both Ontario and Quebec in the gross agricultural income. What was the situation in Saskatchewan? The average income from 1926 to 1929 was $280,000,000, but in 1941 that income shrank to $156,000,000. I ask any hon. members representing Ontario and Quebec just what their farmers would do to them if the agricultural income of their provinces, instead of going up, had shrunk by almost half; and I ask hon. members representing eastern farming communities, who may oppose some measure of justice for the western farmer, what they would do if they were in our position.

Then I might quote some figures as to the index number of receipts from the sale of farm products, using the period 1926 to 1929 as 100. In Quebec the index number in 1941 was 134·6; in Ontario it was 109·3; in Saskatchewan, 55·9, and in Manitoba, 98·1. After all, Saskatchewan is the province that suffers most in the present situation because in 1940, for example, 76 per cent of our total agricultural income was derived from wheat, while in 1941, 71 per cent of our income came from wheat which is most depressed in price of any agricultural product. I would speak to the

labouring people of this country—and I am glad the Minister of Labour (Mr. Mitchell) is interested. No farmer objects to labour being well treated, but we ask labour to have some sympathy for us when we ask for a fair deal, too.

I have before me a report of the Searle Grain Company, to which reference was made by the hon. member for Moose Jaw (Mr. Ross). I am going to read only two paragraphs from it:

Looking at the two charts—

It gives a chart showing camparative receipts of labour and farmers.

—it will be observed that for wheat to have the same purchasing power as it had in 1913 and 1914, . . . the price should now be one dollar. This is at the average country point. . . .

In other words, the parity price for wheat, if it is to have the same purchasing power as it did in 1913 and 1914, should be one dollar to the farmer—and that means $1.20 a bushel at Fort William. That would put the farmer in the same position as he occupied back in 1913 and 1914—not the good old days between 1926 and 1929. He has reached a point where he is almost 50 per cent worse off than he was in 1913.

We now turn to the industrial worker. This is where I say he should give some support to the position taken by the farmers. The industrial worker's average hourly wage, if it is to have the same purchasing power as it did in 1913 and 1914, should now stand at the index number of 145. In other words, where the industrial labour got $100 in 1913, to purchase the same amount of goods to-day he should get $145. What is he getting? He is actually getting $210. In other words, the industrial worker to-day is better off by 44 per cent than he was in 1913-1914, and the farmer is roughly 45 per cent worse off—that is wheat at the price prevailing last year.

The suggestion was made that we should freeze the farmer in that inferior position. At a time when the industrial labourer would be getting only $145 compared with $100 in 1913-14, to be as well off, and when in fact he is actually receiving $210, the suggestion is that the farmer should get only $54 where he got $100, and that his position should be frozen there. Is it any wonder that the hon. member for Moose Jaw and every other western farmer says that we refuse to be placed in that position of inferiority compared with the rest of Canada? Is it any wonder that the west takes that attitude? We have children to look after and to educate; we have medical services to obtain; we are human beings, just the same as the industrial workers.

Mark this: whereas the total average income per farm in 1926-29 was $1,007 a year, the average yearly earning of industrial workers was $1,017, or roughly $10 more a year. That was the condition, in spite of the fact that the farmer has an investment in his land. During the period 1930-40 that had shrunk to an average income per farmer of $468 a year, while that of the industrial worker was $902. During that time the average investment in farms was $7,185, and the average income per farm during the same ten years had fallen from $1,007 to $468.

In spite of the investment involved, and in spite of the fact that that is total farm income, for, let us remember, the farmer works, his wife works and his children work. It seems to me that the time has come when everybody in Canada should know those figures, and act according to the principle laid down in the Atlantic charter. We should act, as well as talk in that regard.

What objections are made? One objection is that there is too much wheat. I believe the hon. member for Moose Jaw dealt thoroughly with this point this afternoon. Let me read what Mr. Churchill had to say:

We shall do our best to encourage the building up of reserves of food all over the world, so that there will always be held before the eyes of the people of Europe, including the Germans, the certainty that the shattering of nazi power would bring them all immediate food, freedom and peace.

In other words, one of the weapons for the destruction of nazi tyranny is the tremendous over-supply of wheat we have built up in Canada. Mr. Churchill says that we will encourage that. Are we encouraging it when we say that we will pay less than the cost of production for that wheat, just because the farmer is doing the very thing that Mr. Churchill, that incomparable leader of democracy, has said we will do? That is all I shall have to say on the suggestion that we have too much wheat. But the day will come when every bushel of wheat will feed some hungry mouth that will be very happy to receive it.

It is suggested that we should go into other lines of production. Well, I shall not take time to give figures, but I might point out in passing that Saskatchewan hog marketing increased from 312,000 head in 1939 to 857,000 head in 1941. That is an increase of well over 200 per cent, and if she went on increasing at the same rate during the next two years she would produce as many hogs as Ontario does now.

For those who say that we should turn our entire effort to the production of mixed products, I have some interesting figures. Assuming that to-day we can use 230,000,000 bushels of wheat, that our average crop would be 450,000,000 bushels, and that we turned the remaining 220,000,000 bushels to the production of hog products, we would produce in hogs alone 2,640,000,000 pounds. Yes, think

of it—2,640,000,000 pounds! Our entire marketings last year amounted to only 1,245,000,000 pounds of hog products. In other words, if we turned our entire excess wheat production to the feeding of hogs, we would produce in Saskatchewan alone more than twice the total amount of hogs marketed in all of Canada. I say to hon. members from Ontario: Supposing you drive the Saskatchewan farmer to do that, in what position will it leave your constituents when we in Saskatchewan produce twice as much as the whole of Canada combined? That is a point which must be faced.

Mr. BLAIR: Don't worry about us; we shall be all right.

Mr. TUCKER: An hon. member says, "Don't worry about us, we shall be all right." Well, I am glad he is so optimistic. But I suggest that the path of true statesmanship is not to shove your head in the sand and say, "We shall be all right."

There is the further suggestion that wheat is no advantage to Canada. Between the years 1910 and 1936 the value of grain marketed from western Canada alone was $10,278,000,000. That went to build up eastern Canada, as no other single factor has built it up. In the days ahead, when we get out of this period of interference with markets, western Canada once more will make a vital contribution to the upbuilding of the rest of Canada. Do not drive that country, which has done so much to build up Canada as a whole, away from the industry it has developed.

Then the suggestion is made that we should swing over to manufacturing. I have something to say in that regard which is aside from the subject. Hon. members will perhaps bear with me for a moment, or maybe permit me to have a minute or two extra to deal with it. There are 20,000,000,000 tons of coal in Estevan, perhaps one of the largest deposits of soft coal in the world. I suggest to the government: if you are having a total war effort, why do you not develop a tremendous head of power at the Estevan mine and have the advantage of all the by-products that would be obtained? Some of those by-products I believe could be used to make synthetic rubber. Probably a half-million people could be put to work in industry as a result who now have no chance to participate in the war effort.

I grant that it might cost a little more to manufacture in western Canada, but while a tank that costs fifty per cent more to make may do something to the national debt of this country; it will kill a nazi just the same as a tank manufactured more cheaply in eastern Canada. We have not a total war effort when the prairie provinces have only a few hundred thousand dollars worth of munition contracts. All we in Saskatchewan have been permitted to do in the war is to send our young men to enlist or our young men and women to the coast or down to eastern Canada to work. But some of them cannot leave home and they would be very glad to engage in industry. I know the answer will be that we have not the management.

An hon. MEMBER: We have not the steel.

Mr. TUCKER: We can ship steel out to the west just the same as we can ship it to the east. Surely we can get it. After all, if we are not going to lay the foundation for stepping up our production to a one hundred per cent effort, then we are not doing our part toward the people of this country. I ask my hon. friend who has just interrupted me: Does he think that because it cost extra money to establish industries behind the Ural mountains, Russia hesitated to do it when the very life of that country was at stake? Did they consider the question of money and the cost of doing these things? I ask the government, which I am proud and pleased to follow, in this time of world crisis, to do the thing that is necessary to mobilize this country's industrial capacity one hundred per cent.

On the question of management, we know that we had not the management at the outbreak of this war, for example, to provide an armoured division for Canada. You have to train management in industry the same as you are training men for an armoured division or in the commonwealth air training scheme. Once you have trained your management in eastern Canada, can it not be moved in part out west to establish industries there alongside these tremendous coal fields? Some people who may feel that they are wiser than I, and properly so, will say that this is going to cost more money, that it will be difficult and so on. I say that it might be the last ounce of strength put into the effort that will win this war. Many of us at one time or another have had our car stuck. We have tried to get it out and have almost succeeded. If a little child had come along and put his shoulder to the car, it would have come out, but for the lack of that extra few pounds pressure, the car rolled back into the hole and it probably finally required a tractor to pull it out.

The same situation exists so far as our position in this war is concerned. Anyone who is a soldier knows that when the battle trembles in the balance, one man thrown into the fray might turn the tide. I think Canada should make up her mind to put her whole strength into this war. She should make sure that western Canada is given a chance to do what it can do as well as any other part of the country. If you say to western Canada, "turn to other things," we will reply that we will turn to other things if you will only give us a chance to do so.

I have exceeded my time by two or three minutes, and I shall not impose upon the goodwill of the house more than to say a few words in conclusion. In my opinion the proper price for wheat when compared with other things would be $1.20 a bushel, basis Fort William. To pay that price would cost $75,000,000 a year. For three years, the total cost would be $225,000,000. Would it make much difference three years from now whether the debt of this country was, say $10,200,000,000 or $10,425,000,000? The people of western Canada are in this war just the same as any other Canadians, but they see farmers across the line in the United States getting 10 per cent over parity prices for their wheat. They ask whether they are not fighting just the same as those people across the line. I suggest to the government that it would be a good thing for the unity of this country if we treated our western farmers just as well as the United States treat their western farmers. I suggest that the actual cost to the taxpayers of this country would be nil because that debt will be renewed from time to time. A difference of $225,000,000 in a debt of the size it will be at the end of the war will not make much difference to the Minister of Finance of that day.

But the difference in the attitude of the people of western Canada, their ability to support the war and their feeling that they are felt by the rest of Canada to be a real part of this country will be tremendous. I appeal to the government to bear in mind the fact that these loyal, honest, hard-working people are one with you in the great fight which we face. I ask you to treat them as first-class citizens, as fellow Canadians, as brothers in arms—do not treat them as second-class citizens—and the result will be tenfold in the response that you will get, in the strength that you will get as we all get together as a united people to fight the battles that lie ahead.

Mr. ROBERT FAIR (Battle River): Mr. Speaker, it seems to me that the dinner recess has done things to some of us, particularly our western representatives. Before we adjourned at six o'clock I heard the hon. member who has just taken his seat say that those who represented minorities such as western Canada should not talk too loudly or too much, that if they did, perhaps after a while they would be left at home. I am convinced that since coming in here at eight o'clock he has felt ashamed of himself and the policy of the government which a few moments ago he told us he was bound and pleased to follow.

Mr. TUCKER: I am not ashamed of anything. I think everything I said before the dinner recess was absolutely true. I believe the Minister of Agriculture feels as strongly as I do that more should be done for western Canada than is being done.

Mr. FAIR: I am not complaining at all of anything the hon gentleman has said since the dinner recess, but I do not think he should discourage anyone from standing up and fighting for what he believes is right. The remarks he made before the dinner recess were to that effect. Again I say that he must be ashamed of the Liberal policy and is frightened of losing his seat in the next election when he tells some of the rest of us not to get up and fight.

Mr. TUCKER: The hon. gentleman should not impute motives.

Some hon. MEMBERS: Order.

Mr. FAIR: The hon. gentleman said—

Mr. TUCKER: I ask the hon. member to take that back.

Mr. FAIR: I did not say whether it was a provincial or federal election.

Mr. TUCKER: It does not matter.

Mr. SPEAKER: The hon. member should not make such statements.

Mr. FAIR: I suppose the hon. gentleman is all tuckered out because he had more than his time.

Mr. TUCKER: The suggestion was, Mr. Speaker, that I had spoken as I did because I was afraid of an election that was coming. I absolutely deny that, and I ask the hon. member to withdraw that statement.

Mr. SPEAKER: If the hon. member made that suggestion I think he will have to withdraw it.

Mr. FAIR: I was just expressing my own opinion, Mr. Speaker, but if the hat does not fit the hon. gentleman he need not wear it.

Mr. SPEAKER: I think the hon. member should withdraw the statement complained of by the hon. member for Rosthern (Mr. Tucker).

Mr. FAIR: I will withdraw the hat if it does not fit him.

Mr. TUCKER: Mr. Speaker, this has come to a point where it does not concern me alone but every member of the house if an hon. member is allowed to persist in disobeying the ruling of Your Honour. It goes far beyond anything that affects me personally, and I ask Your Honour to see that the member obeys the ruling of the Chair.

Mr. FAIR: If the hon. gentleman's conscience is pricking him I withdraw the statement.

Mr. SPEAKER: Order. As the hon. member for Rosthern has said, this has got beyond the stage where it can be treated as a joke. The hon. member for Rosthern has complained of the hon. gentleman's statement and he should withdraw it, without any reservations.

Mr. FAIR: Mr. Speaker, I withdraw it. I was just having a little joke and I think, if we had a few little jokes of that kind instead of the kind more often practised in this house, we would have a much healthier atmosphere here. But what I have to say with regard to the agricultural policy I do not intend to apologize for or to withdraw.

The agricultural policy of this country for a number of years has been very truly described by the hon. gentleman who got so warm at my statement just now and insisted upon my withdrawing it. I think he made a very good case for the farmers of western Canada and Canadians generally, because in putting up the case for the western farmer I realize, as must every other hon. member, that a case is being put up for all of Canada. We cannot have poor relations in this country, as agriculture might well be described, if we are to have that Canadian unity which has been shouted about so loud and so long in this house.

As they gave us their policies for agriculture this afternoon I was wondering just who were the advisers of the Minister of Agriculture (Mr. Gardiner) and the Minister of Trade and Commerce (Mr. MacKinnon), and I wondered because agriculture is not getting the same treatment as other classes in Canada. I attended a banquet at the Chateau Laurier not very long ago, on January 29, I believe, when we had the pleasure and profit of listening to Mr. R. M. Evans, Administrator of Agricultural Adjustment and Conservation, United States Department of Agriculture. I was very glad to hear this gentleman who had been invited to Canada, and I was also very glad to see sitting on the platform with him the Minister of Agriculture. I have the speech of Mr. Evans here, and while I shall not read all of it, I should like to quote a few paragraphs from his address because I think they are well worth noting. He said:

> It is all very well to talk about men being free in a democracy—for in a true democracy, they are. But it is only a matter of being realistic—for the protection of democracy itself—to recognize that when farmers who produce the food that a nation needs must sell their products at low prices, over which they have no control, and then lose their farms, their homes, and family security because they cannot meet their obligations—then those men are not truly free. They do not have economic freedom, and without it political freedom cannot long endure. Democracy needs bread and butter as well as ballots.

At the present time, when our young men and our young women are overseas fighting for democracy, I think it is only right that we should practise that same democracy here at home. A little further along Mr. Evans had this to say in connection with reserves:

> To carry these reserves, as well as to smooth out the flow of crops to market, commodity loans are made to producers who have complied with their acreage allotments. These loans are based upon 85 per cent of the parity price for the commodity. For wheat, this has meant a loan rate of $1.15 per bushel for No. 2 hard winter at Chicago this year. At this price, the wheat in an average loaf of bread costs about one and three-quarters cents. The fact that wheat for some time now has been above the loan rate would seem to indicate that our farmers have succeeded in making it their market.
>
> Under normal circumstances, this system of marketing appears to be adequate. But when the surplus of any basic commodity reaches a danger point, the law requires that a marketing quota be declared. The quota must be approved by two-thirds of the affected producers voting in a referendum.

I may point out that in this country the producers have not one thing to say about quotas. Instead, a policy of totalitarianism is practised. Mr. Evans went on to say:

> Rounding out this programme of protection for the producer is crop insurance against losses from natural, unavoidable hazards. It insures yield only, not price. Crop insurance was provided on wheat for the first time in 1939 and is being extended to cotton this year.

In concluding my references to Mr. Evans' address, I should like to summarize the six points of the United States farm programme, as follows:

1. Conservation based upon sound soil improving crops and practices with payment in proportion to the work accomplished.

2. Acreage allotments to adjust production to need—with payments for adjustment and to improve income.

3. Marketing loans with farm storage allowances.

4. Marketing quotas when supplies hit danger levels.

5. Crop insurance—now offered on cotton and wheat.

6. Market expansion programme including school lunches, food stamp plan and direct distribution to low income groups as well as export assistance when necessary.

A little further on he says:

> During November, AAA farmer committeemen visited every one of their six million neighbours to sign them up in the AAA farm programme for 1942. Each farmer prepared a farm plan and indicated how much of each crop or product he intended to produce next year. The reports now show that our farmers intend to meet or exceed the goals we have set for the production of "food for freedom" in 1942.

Just one other quotation from his address:

In every county and community, our programme is run by farmer committeemen elected by their neighbours. From the ranks of these 130,000 committeemen, our state committees are appointed by the secretary of agriculture. Many of the men in administrative, policy-forming positions in our Department of Agriculture are farmers who have come up through the ranks of our farm programme in these past eight or nine years.

I have pleasure in commending this address of Mr. Evans to the Minister of Agriculture and his colleagues in the government. Following that up, I should like to read a section of the statute which has been passed by congress dealing with parity prices. Section 3 (a) of the price control bill which became law in the United States on January 30 last states:

Sec. 3 (a) No maximum price shall be established or maintained for any agricultural commodity below the highest of any of the following prices, as determined and published by the Secretary of Agriculture: (1) 110 per centum of the parity price for such commodity, adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials, or, in case a comparable price has been determined for such commodity under subsection (b), 110 per centum of such comparable price, adjusted in the same manner, in lieu of 110 per centum of the parity price so adjusted; (2) the market price prevailing for such commodity on October 1, 1941; (3) the market price prevailing for such commodity on December 15, 1941; or (4) the average price for such commodity during the period July 1, 1919, to June 30, 1929.

I believe that in this respect we should follow the action of the United States—because we always seem to wait for somebody else to take the lead, and then we follow. The United States has given us a very good lead in this case, and I commend it to the Minister of Agriculture and the government.

From time to time delegations representing the Canadian Federation of Agriculture and similar bodies have come to Ottawa. One of the last to appear here were the 400 or so representatives from Manitoba, Saskatchewan and Alberta. This delegation was organized, I believe, by the Saskatchewan wheat pool, and included, as well as the Saskatchewan delegation, representatives of Manitoba farm and other organizations, the United Farmers of Alberta, the United Farmers of Canada, Alberta section, and the Alberta wheat pool. When the representatives of these bodies met the Prime Minister (Mr. Mackenzie King) and some members of his cabinet they were, I understand, very favourably received. They were told by the Minister of Trade and Commerce (Mr. MacKinnon) that their demands were just and reasonable, and none other than the Prime Minister himself told the delegation, according to press reports, that the wheat question was one with which Canada should deal, that it was Canada's responsibility. Now we are asking that Canada shoulder this responsibility. Some seem to think that we are too persistent in pressing this matter, but I believe that those who express this opinion do not really understand the situation in the west, as it has been so well described by the hon. member who preceded me. I have here a little poem which originated in North Dakota. It reads as follows:

I hate to be a kicker, I always long for peace,
But the wheel that does the squeaking is the one that gets the grease.
It's nice to be a peaceful soul, and not too hard to please,
But the dog that's always scratching is the one that has the fleas.
The art of soft soap spreading is the thing that palls and stales,
But the guy who wields the hammer is the one who drives the nails.
Let us not put any notions that are harmful in your head,
But the baby that keeps yelling is the baby that gets fed!

An hon. MEMBER: That is as old as the hills.

Mr. JOHNSTON (Bow River): Quite applicable, though, over there.

Mr. FAIR: A great many "babies" have been crying in Canada, and a whole lot of them must have been fed, because we do not hear them crying any more. So, now that everybody else has been satisfied, perhaps Canada will see to it that the farmer receives a little of what is coming to him.

I have here a publication which was put out by the Searle Grain company, of Winnipeg, dealing with prices and amounts which have been received by the farmers. I will read the following extract:

During the past eleven crop years our farmers have delivered to market 3,084 million bushels of grain. They have received for this in cash 1,709 million dollars. Had all these bushels of wheat enjoyed the same purchasing power as a bushel of wheat did in 1913-14 or been at so-called "parity" level—and no one considers wheat had too great a purchasing power in 1913-14—our farmers would have been able to pay for additional goods, commodities, services, debts and so forth to the additional value of 1,127 million dollars.

That is the amount which has been legally stolen from our western farmers; it is money which they would have received if they were getting the treatment to which they were entitled:

. . . our farmers would have been able to pay for additional goods, commodities, services, debts and so forth to the additional value of 1,127 million dollars.

That sum, I believe, would have supplied a whole lot of milk and have satisfied a great many "babies" and kept them from crying.

Had any other class or group in Canada been deprived of any such amount as that, I believe you would have had, as we had in 1939, a sit-down strike. I am referring to what industry threatened when profits were restricted to five per cent. But we farmers have continued ever since 1929 to produce below cost of production and we have not yet gone on a sit-down strike. So I believe we are loyal citizens; we have been just a little too "easy" for our own good; we should get the consideration now which all those other "babies" have received who have now been satisfied.

According to other information contained in this booklet, Canadian wheat, to be at the 1913-14 parity, would require a price of about $1.20 for No. 1 northern in store Fort William. "To-day"—this book was written last fall—"No. 1 northern Fort William is 72⅞ cents a bushel". In the United States, for wheat to be at the 1913-14 parity, it would require a price of approximately $1.22 in store Chicago. At that time May wheat, Chicago, was actually $1.19 a bushel. I think you will notice that United States wheat, although not as good as ours, has been approximately 50 cents higher for quite a long time.

The same booklet, dealing with wheat growers and industrial labour, has this to say:

> The average hourly rates of industrial wages, as set out by the Department of Labour for 1940, were twice as high as, actually 104 per cent higher than, in 1913-14, and in 1941 wages have been raised still further, and in addition industrial labour has received substantial "costs of living" bonuses.
>
> Some say that it is not fair for the government to give assistance to our wheat growers. With all courtesy, however, we draw attention to the fact that all the high wages and cost of living bonuses given to industrial workers who work directly and indirectly on war production, are themselves paid for by the government, for the government itself buys and pays for all the products of these workers.

I am not complaining about this being received by labour in industry in Canada to-day. Neither am I complaining of the cost of living bonus that is being paid. I have, however, a complaint that that cost of living bonus is not extended far enough. For instance, helpers in stores where only a few are employed, or in other industries where only a few are employed, should also have the cost of living bonus.

I understand that at the present time an arrangement between Canada and the United States provides for quite an easement of tariff restrictions as far as war material is concerned. I wonder why the same could not apply to farm implements, both now and for a number of years past. We have not heard very much about tariffs for quite a while, and some of the "crying babies" of the past have not said anything about it either. For the information of the Minister of Trade and Commerce (Mr. MacKinnon) who has not been very long in his position I shall give a few figures, and I hope he takes them into consideration. I am sorry this table is not up to date, but it is the best we have been able to get. It relates to tariffs in the only year in which I know they were investigated, namely, 1931. I might say that 1931 was one of the years when we had poor crops and very poor prices, so that if a normal year were taken the various costs would be higher than I am about to quote.

In 1931 Manitoba paid by way of tariffs $29,185,40, or $13.25 per capita. In the same year Saskatchewan paid $29,228,285, or $28.16 per capita. Alberta paid $27,909,396, or $26.93 per capita. British Columbia paid $37,737,247, or $22.33 per capita.

That is to say, in that one year alone it cost the four western provinces $124,060,668 by way of tariffs, which amount would pay a great part of the wheat subsidies that we have been given in the past and should shut off a great deal of the criticism that has been offered.

Let me give some figures regarding the part of the country from which much of the criticism has been coming. The province of Quebec, as far as tariffs are concerned, had a gain of $31,685,885, which is equal to $11.03 per capita. That wonderful milch cow, Ontario, which western Canada has been feeding for the last number of years, had a gain of $51,989,761, equal to $15.15 per capita.

Perhaps that is enough; the Minister of Trade and Commerce has been listening patiently, and I hope he gets these figures and takes them into consideration in dealing further with our initial price of wheat.

A number of arguments are put up against raising the price of wheat. During the period 1926-1941 we had an average of 14·3 bushels per acre. For the years 1926-1929 the average was 18·4 bushels per acre.

The average price per bushel for 1926-1941 was 67½ cents. The average price for 1926-1929, on which period labour wages are based, was 96½ cents, or 29 cents higher than the average for 1926-1941.

The value per acre 1926-1941 was $9.65, whereas the figure for 1926-1929 inclusive was $17.44, or a drop in value per acre of $7.79.

The purchasing power index for 1926-1941 was 59 per cent, whereas the purchasing power index for 1926-1929 was 84 per cent, or a drop of 25 per cent for the 1926-1941 period.

I have here some other figures which, with the consent of the house, I should like to have placed on *Hansard*.

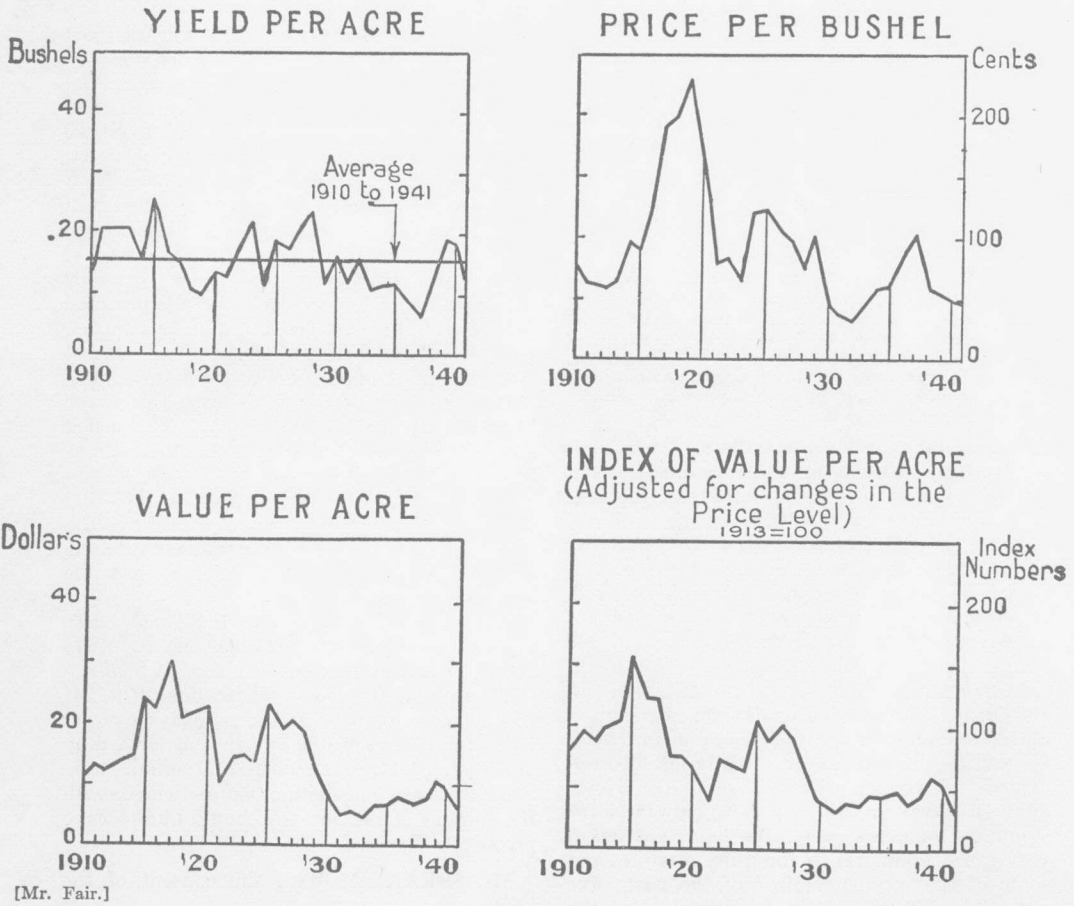
Mr. SPEAKER: With the consent of the house.

Mr. FAIR: This statement gives corresponding figures for other years:

	Yield per acre bushels	Farm price per bushel cents	Value per acre dollars	Purchasing power index numbers 1913=100
1913	20·8	65	13.62	100·0
1926	17·5	107	18.72	88·0
1927	21·2	98	20.80	100·1
1928	23·5	78	18.31	89·3
1929	11·6	103	11.94	58·7
1930	16·6	47	7.82	42·4
1931	11·8	37	4.79	31·2
1932	16·0	34	5.47	38·5
1933	10·4	47	4.89	34·3
1934	11·3	60	6.83	44·8
1935	11·3	60	6.86	44·7
1936	8·1	92	7.47	47·1
1937	6·4	103	6.55	36·4
1938	13·5	58	7.87	47·1
1939	19·1	54	10.23	63·8
1940	18·5	52	9.55	54·2
1941	12·9	49	6.38	33·3

YIELD PER ACRE, PRICE PER BUSHEL AND VALUE PER ACRE OF WHEAT IN THE PRAIRIE PROVINCES

1910–1941



[Mr. Fair.]

In 1939 the three prairie provinces received for their grain crops $264,145,000. In 1940 we received $278,770,000. In 1941 the year in which the Minister of Agriculture told us we received over 90 cents a bushel, we received $141,680,000.

The people should not be led astray and made to believe that farmers in Canada all received over 90 cents a bushel. As a practical farmer myself, the wheat which I have sold to date has netted me 48½ cents a bushel, and I have not received one cent of bonus since the bonus system was introduced in 1939.

Mr. GARDINER: You are not an average farmer.

Mr. FAIR: Well, I do my best; I try to be.

Mr. MacKINNON (Edmonton West): You are better than the average.

Mr. FAIR: I am still holding the farm, which a number of others have not been able to do.

Mr. GARDINER: The income from wheat was $210,000,000.

Mr. FAIR: Well, the minister is trying to make an argument, and for his benefit and the benefit of the house I might point out that if one man gets 48½ cents a bushel for his wheat and another gets $1.25, which is possible under the bonus system provided he has a small enough yield, it does not mean that the average farmer gets 90 cents or over. The people should not be misled, because the farmers who are getting a wheat crop do not get the benefit of the bonus.

Mr. GARDINER: If the hon. member will permit, if all the farmers in western Canada got $200,000,000 on account of wheat and there were less than 200,000,000 bushels, the average amount received was more than $1 a bushel.

Mr. FAIR: That is all very well, but as I said, it does not average up. The man who benefits by the prairie farm assistance bonus does not benefit by the high price of wheat, because in order to qualify for the bonus, the crop in his township must be below twelve bushels per acre. On the other hand, the man who gets a large yield, above twelve bushels to the acre, cannot benefit either. So we have two distinct problems to deal with, a higher price for wheat for the farmer who gets a crop, and a better bonus system for the farmer who does not. Averaging up and calling everyone satisfied does not work, and some change must be made before you can have a satisfactory and prosperous agriculture.

We have had a number of organizations pressing recently for a better price for wheat. First, the Saskatchewan delegation that came here asked for an initial price of $1, and final settlement to be made on parity price basis. I am quite satisfied with that, but the group with which I am associated and I myself have consistently advocated not less than 95 cents a bushel, and this past year or two, since the war, when costs of production have increased, we have consistently argued for and demanded $1 a bushel at the local elevator in order that farmers may live.

The Saskatchewan delegation wanted $1, with the balance to be settled as I have already mentioned. The Searle Grain Company believes that $1.20 is the parity price for wheat, while the Northwest Line Elevators set their figure at $1.22⅛. I do not know how anyone can expect to put up an argument that will stand analysis, to make us believe that we can grow wheat at less than $1 a bushel and hold our farms and homes. In my opinion, after close to thirty years of experience in that line of work, it cannot be done.

Perhaps someone may think we are paying our farm help too much. The average farm wage, from 1926 to 1941 inclusive, was $26.90 a month, for all of Canada. During this period the lowest wages were paid in 1933, when they averaged only $10 a month, or less than some of our "crying babies" receive as living allowance for one day, and the average in 1941 was $29.42 a month. The average during the whole period for wages and board was $46.75 a month; the lowest figure was in 1933, when it was $20, and the average for 1941 was $46.58. Then we are faced with the further problem that farmers' sons are taken off the land for the army, even though only one son is left on the farm. In many cases the farmer is too old to operate the power machinery he has bought recently, and under our present set-up the only son may be taken from the farm and put in the army. I do not for a moment say that farmers' sons should not serve. I think if an analysis could be made of all enlistments it would be found that the farmers have contributed a higher percentage than any other group in Canada; but in the interests of agriculture, in the interests of Canada and of the united nations I say that a boy who is the only help left on a farm should be allowed to stay there, because he is just as much a key man as any man in industry.

Then the minister told us that we would receive 90 cents a bushel for wheat. The average price per bushel at Fort William from 1926 to 1929 was $1.35. That was not the highest price paid during that period, but the average. For oats we are to receive 45 cents for the 1942 crop. The average for

1926 to 1929 was 60 cents, or 15 cents more than the price offered this year. For barley we are to receive 60 cents a bushel, while the average price for 1926 to 1929 was 71.6 cents, and during that period we had fairly normal times in Canada. Then we are offered $2.25 for flax as against an average of $2.08 from 1926 to 1929. If I understood the minister aright, we cannot be paid any more because if the farmers were given the prices to which they are entitled we would not have enough money left with which to prosecute the war successfully. The minister told us that last year we lost not less than $100,000,000 because of the price that was set. I do not think he made that amount nearly large enough.

Mr. GARDINER: We dropped that on wheat, but we got some of it back from other sources.

Mr. FAIR: I do not think the minister's addition was very good when he went to school, because $100,000,000 was not nearly enough.

Mr. GARDINER: It does not matter what it was when I went to school; it is all right now.

Mr. FAIR: I do not think it has improved, considering the company he has kept since he left school. Some hon. gentlemen around me say that the minister is a magician. If I should read some of the letters I have received I do not think he would feel very much like a magician or a wizard.

Mr. GARDINER: I can read you mine, too.

Mr. FAIR: Little men usually have a pretty big opinion of themselves, but they do not always stack up. Then, Mr. Speaker, I said I had not received a bonus yet, and in that connection I should like to read a letter I received only a couple of days ago:

I am writing you in regards to the summer-fallow bonus. I think that it is a crime the trouble E. L. Gray is putting the farmers to, to get their bonus.

I am not blaming Mr. E. L. Gray entirely; I am just reading this letter to give hon. members an idea of how some of the farmers feel, and I do not say that Mr. Gray is responsible for all the trouble.

Myself, I have made five trips to the municipal office and each trip is thirty miles, and one to Edmonton, and still I am waiting for my bonuses, and there is quite a lot in this district that are still waiting for theirs, and I was told yesterday that we would have to go to Vermilion on February 24 and meet an inspector if we wanted our bonus. Now we have not been notified about this as they only wrote to the secretary, and I only heard it last night by a neighbour who has not got one dollar yet.

Now, Bob, you know that a lot of us in this district had almost a total crop failure, and yet a lot of us have not received a dollar bonus yet, although we are supposed to get three of them, and here it is the end of February. How in the world do they expect people to try and help in a war effort and buy victory bonds and then treat us like this?

This man must be saving, because I notice he has written on both sides of his stationery, which is not done by a number of others throughout the country. Then he goes on:

I had less than 750 bushels of wheat from 160 acres and no coarse grains on 200 acres, and yet I had about $600 in wages and $300 taxes to pay as well as my living and operating expenses.

The secretary also told me that a farmer with fifty head of cattle would not get the 75 cents cost of living bonus, yet there is a lot of farmers that have sold as high as 500 pigs who do get it. I wonder where the difference is, and the man raising cattle has been doing so at a loss for about eight years, and most farmers have only increased their cattle the last year.

That is a sample of the letters we are getting in connection with the bonuses. I have taken up a number of cases and have practically all of them cleared up after a little time.

Now, Mr. Speaker, my time is almost gone—

Mr. GRANT: That's good.

Mr. FAIR: There are some people in this house who have not yet made a speech. Some folks call them laughing hyenas, I believe though I do not know what a laughing hyena looks like. I think it would pay these hon. gentlemen to sit quietly and keep their seats warm, because they are not doing any good anyway. They simply display a lack of the education they should have received at their mother's knee.

In summing up, Mr. Speaker, I would suggest that we consider the following points, which are the policies of the group with which I am associated. The first is international cooperation between the four exporting countries, the United States, Australia, Argentina and Canada. This has been worked upon for some time, and I do not know what were the final results at Washington. I believe that would be much better than the competitive system which we have followed in the past.

Then there should be parity prices established for all agricultural products. I am not asking for any unreasonable profits, but certainly there is no reason why one class should produce below cost of production and stand

all the loss. We are willing to produce, and to do everything else to win the war, but in doing so there is no reason why we should run the risk of losing our farms, our homes and our morale.

I believe we should have loans on grain, as well as storage. I believe the storage could be reduced, because when we come to figure the cost of elevators, and what they bring in by way of storage charges, there is no doubt that that amount can be reduced considerably.

I believe in a policy of quotas, when necessary, because we cannot expect the government to take over all the wheat we may grow. I do not believe, however, that the growing of wheat should be restricted to so great an extent, because it may be needed in the very near future.

Then, I believe that the Prairie Farm Assistance Act should be amended in three or four different ways. These points I shall discuss in greater detail when we are in committee of the whole. If that act were administered by local committees, in the same way that some agricultural policies are being administered in the United States, I believe we would have far better protection. I believe the township basis, on which we are now operating, is too large and that it should be on an individual basis. If we had local committees administering the act, the individual farmers would be compelled to do a far better job for themselves, and for the country as well. The limit of three thousand bushels and the live stock restriction under the Prairie Farm Assistance Act should be removed.

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

Mr. FAIR: I was interrupted on several occasions, and with the consent of the house I should like to have two or three more minutes.

Some hon. MEMBERS: Go ahead.

Mr. SPEAKER: If it is agreed, the hon. member may proceed. I would point out, however, that we are beginning to do in this debate something which I called to the attention of hon. members in an earlier debate. The forty-minute rule should not be disregarded, even with the consent of the house.

Mr. FAIR: I should also like to see the grain exchange at Winnipeg closed not only for the duration of the war, but for good. As I have pointed out on several occasions, right after the war broke out the exchange in England was closed. I notice that the Argentine republic passed a decree on November 14 of last year by which they closed their grain exchange, too. Now that we have others leading, perhaps we can follow the way, and do away with our gambling den and a number of parasites.

I should also like to see representatives of organized agriculture on all boards having to do with agricultural problems. For some time we have argued in favour of this procedure, and have consistently talked about it. I should hope the government would see fit to bring that policy into operation.

Canadian unity should be maintained, and the winning of the war should not be neglected to do any of the things I have mentioned. But the policy being handed out to agriculture to-day is forcing a large part of western Canada to a condition of starvation and relief.

With two verses from a poem entitled "When Babies Die," I would conclude. They are as follows:

> The babies nazis kill:
> Are they more dead
> Than those who perish in
> The days of peace,
> Because that grasping fails
> To leave them food,
> Because the greed of gold
> Knows no surcease?
>
> When nazi bombs are stilled,
> And on the graves
> Of millions dead the wheat
> Is Gold again,
> Will man have learned a child
> Is just as dead
> By deprivation as
> By cannon slain?

Mr. GRANT: Sing a song now.

Mr. JOHNSTON (Bow River) You don't understand it, anyway.

On motion of Mr. Wright the debate was adjourned.

CANADIAN ARMED FORCES

REINSTATEMENT IN CIVIL EMPLOYMENT OF PERSONS WHO ENLIST IN HIS MAJESTY'S FORCES

The house resumed from Friday, March 6, consideration in committee of Bill No. 5, to provide for the reinstatement in civil employment of individuals who enlist for service in his majesty's forces or who perform essential war employment—Mr. Mitchell—Mr. Vien in the chair.

On section 1—short title.

Mr. CASTLEDEN: Mr. Chairman, on Friday this bill was being discussed when the house adjourned at 6 o'clock, and at that time we were pointing out that we did not think the bill would be effective in solving the problem of reestablishing the soldiers in labour and

industry. Differences of opinion were expressed throughout the house as to whether industry recognized any responsibility to humanity, and as to whether the onus should be placed upon industry to take care of this problem. The bill when in force will attempt to compel industry to accept these men on their return.

I believe we can best judge the ability of industry to do that job properly by looking into its past history. Apparently those champions of industry who sit in the house cast aspersions on some of the statements I made, and suggested that I did not know much about it. Well, I spent some time over the week-end going through a report of the royal commission on price spreads, which was tabled in the house a few years ago, and I recommend this volume to the careful study of those persons who do not know what it contains. After having read five hundred pages of it I think they will agree with me that industry does not care very much for the welfare of the people generally in Canada who have their labour to sell. The main object of industry is to see how little it can pay labour to get the most work out of it, and to accept very little responsibility for the welfare of the people as a whole.

Industry in Canada has failed us in times of peace. I refer hon. members to page 118, where they will find this:

> . . . in February, 1934, the average wage rate for all male workers was 10 cents per hour; where 93 per cent of all male workers in 1934 were paid less than the minimum rate for female workers; where, on a 55-hour basis, the average full time weekly earnings in 1934 for male and female employees was $5.72.

The whole record of this book is an utter condemnation of the place industry has played in the life of Canada.

Again, referring to the operations of certain chain stores, it says:

> In fact the absence of any personal relationship between the central management which determines operating standards, and the employees in the stores tends to render the central management oblivious to the human element involved in their policies. This was made obvious by the evidence given before the commission by the chief executive of one of the largest chains.

And so on, all the way through the story of the tobacco industry, the lumber industry, the textile industry, production and distribution.

For more recent evidence as to the conduct of industry in Canada we need to go back no farther than 1939. At that time, when Canada was expressing a need for war equipment, the government placed on the statute books a bill limiting armament profits to 5 per cent. In September the Minister of Munitions and Supply (Mr. Howe) made the statement that although the department had appealed to the patriotism of industry, it had been unsuccessful to the extent of being unable to place a single contract.

If we want something more recent respecting the attitude of industry, and particularly its attitude toward the very point with which we are now dealing, let me refer to information received from Kirkland Lake no less recently than last Friday, which tells of twenty-five ex-service men who have not been rehired merely because they took part in a strike to establish the right to collective bargaining through a union of their own choice. These men had had from two to eighteen years' service in the mine. Every one was an ex-service man, and in four cases their sons are in the army. I maintain and I repeat that I do not think industry has proved itself fit to solve a problem as important as this.

What we need is a complete survey of the raw materials and resources of this country and what the nation is going to need. That should have been taken before because we need it badly now, but we shall need it even more during the reconstruction period. Some form of planned economy should also be provided with the object of finding out what the main needs of the people of Canada are, what they are going to require in the way of food, clothing and shelter, and the making of decent homes. To correlate these two ideas may require some change in the status quo, perhaps some change in the motive which is the driving force of our economic and industrial life. The motive of service rather than of profit is one that should present itself to the government at the present time. Some privileges will have to be surrendered.

Labour will have to have its share in the industrial life and the machinery of production of this country. Labour must feel that the plant and machinery of production are something which it owns in part and that the resources of this dominion are the birthright of the Canadian people, not merely some privilege to be handed over to groups of selfish people to be exploited for profit. This bill does not begin to approach the large subject that lies underneath it. I do not blame the minister altogether for this. I think it is a sort of anaemic foundling which he found on his doorstep when he came into office.

Mr. MITCHELL: I want to take exception to that statement.

Mr. CASTLEDEN: That is merely my opinion.

Mr. MITCHELL: It is not my opinion.

Mr. CASTLEDEN: I have the floor and I have just about finished. Reading the preamble of this bill is like approaching a dinner when you are very hungry. You find a lot of gravy and a lot of dressing, and you think you are going to have a fine dinner, but when you dig into it you find nothing but tripe. I repeat that the people of Canada are looking to this house for a proper approach to this matter of reestablishment which is so vital at this time. The men in the army and the people at home depend upon the vision and the leadership of this house, and they deserve something better than what is being presented in this bill.

Section agreed to.

On section 2—Interpretation.

Mr. DOUGLAS (Weyburn): This section reads:

In this act and in any order or regulation made thereunder, unless the context otherwise requires,

(a) "service in his majesty's forces" includes service since the commencement of the present war in or out of Canada in any capacity, in pursuance of any enactment relating to the naval, military or air forces, except service during a definite period of military training in pursuance of the National Resources Mobilization Act, 1940, and shall include service in the Canadian Women's Army Corps or in the Canadian Women's Auxiliary Air Force.

I drew the attention of the minister the other day to the fact that this bill would not cover those taking training under the National Resources Mobilization Act and he pointed out that the regulations governing that training provided for that. I want to point out to the minister that this is another illustration of the point I was trying to make the other day. One man who has taken his training, has had a few months garrison duty and has been discharged, will find, when he wants redress under this legislation, that he will have to go to the minister who will be responsible for this legislation, that is, the Minister of Pensions and National Health (Mr. Mackenzie). Another man who has been taking training but who has been discharged before his training is completed, or at the completion of his training, will find, if he wants redress, that he must take action under the regulations of the National Resources Mobilization Act and go to the Minister of National War Services (Mr. Thorson). Two men wanting the same thing should be able to go to the same agency. I notice in the order in council upon which this piece of legislation is founded that there was no such provision. Order in council P.C. 4758, reads in part as follows:

(a) "service in his majesty's forces" includes service since the commencement of the present war in or out of Canada in any capacity, in pursuance of any enactment relating to the military, naval or air forces.

I wonder whether it would not be better from the point of view of administration to take out that clause and to have this apply to any man or woman who is connected in any way with any of the armed services. If you do not do that, you are going to have one man applying to one minister, and another man, under different circumstances, applying to another minister.

Mr. MITCHELL: That matter was considered, and it was decided that under section 21 of the national war services regulations the machinery was provided to enforce the employers' liability. This measure covers a much broader field in that it applies to the navy, the air force and the men in what might be termed the permanent forces rather than those called up for the four months' training.

Mr. DOUGLAS (Weyburn): A good illustration was the one I gave the other day. A letter concerning the discharge of a man who was in the middle of this training was sent across the floor to the Minister of National War Services, and nothing was done. It was sent to the Minister of National Defence (Mr. Ralston), and nothing was done. It was passed over the other day to the Minister of Pensions and National Health, and I want to thank him for taking immediate action. That is an illustration of how a thing may get a runaround. It would be much better to have it all under one minister.

Mr. MACKENZIE (Vancouver Centre): The hon. member for Weyburn (Mr. Douglas) quoted one order in council, but the other day I referred to supplementary order in council, P.C. 7680, of October 7, 1941, which brings the men under compulsory training within the provisions of the compulsory reinstatement order, P.C. 7458. The statute as proposed does not go as far as the two supplementary orders in council.

Mr. HANSON (York-Sunbury): That is what he said. He said men would have to go to different agencies.

Mr. DOUGLAS (Weyburn): I was merely making the point that it should all come under the one minister rather than two. Irrespective of whether a man is in the process of training or has finished his training, he should be able to get redress from the same minister. One man would apply to the Minister of National War Services for redress, and another would make application to the Minister of Pensions

and National Health. There ought to be just the one agency operating under one piece of legislation.

Mr. POULIOT: I have just one question to ask the minister, and then after that I may have to have further details. Upon reading this section I wonder whether a distinction is not being established between men and women. The men who will come under this section are those who are serving in his majesty's forces anywhere, in any country. Looking closely at the section it means that men who enlist in the British army, in his majesty's forces anywhere in the world, will be able to take advantage of this legislation. Is that right or not?

Mr. MITCHELL: That is right.

Mr. POULIOT: I consider it a shame. Under previous legislation it was required that a person should have resided in Canada for some time prior to the great war to enjoy a preference in appointment to the civil service, and under that legislation the civil service has been filled with people who were not born in this country and who are now occupying the finest positions in the land. Canada has become the dumping ground for all the nations of the world.

There is a distinction made in the legislation before us—and the minister was honest enough to admit it—between men and women. Men may come from all over the world to take advantage of this legislation and get something from this government, but for women service in his majesty's forces shall include service in the Canadian Women's Army Corps or in the Canadian Women's Auxiliary Air Force. There is a distinction clearly made between men and women, and how the minister can bring legislation like that before this house and this committee I cannot understand. He is a new minister, and I was quite open-minded because he was my colleague in the house for a certain length of time, but I cannot conceive that his idea of Canadian citizenship is that this country shall become the dumping ground of all the nations of the world and that it is to be enough for a man to get into his majesty's forces anywhere, in central Africa or anywhere else, to be entitled to the same privileges as a red-blooded Canadian who enlists in the Canadian army. This I cannot conceive to be right, and I do not know any Canadian citizen, born in Canada, who would pilot legislation like that through this house. I do not know any member who is not enough of a Canadian to protest strongly and bitterly against it until it is defeated in this committee and in this house. I have never before spoken like this, but it is time that we opened our eyes and stopped making fools of ourselves.

Mr. CRUICKSHANK: Sit down then.

Mr. POULIOT: I will ask the hon. member to keep quiet while I am speaking. If he has anything to say he can say it afterwards. I shall not use any stronger language than he did. He interrupts continually, but I am addressing him for the first time, and I use the third person in addressing my hon. friend. It is never too late to tell the truth.

I find this legislation scandalous. It is time that we stopped making Canada nothing more than a dumping ground for all the nations of the world.

Mr. MITCHELL: In reply to my hon. friend the member for Témiscouata (Mr. Pouliot), who has talked about Canada being a dumping ground, let me say that the Minister of Labour is one of those who were dumped, and I am proud of it.

Mr. MacNICOL: The minister is a credit to Canada, too.

Mr. MITCHELL: I might add that I have recently been through a by-election in Welland, and in speaking to the good people of that constituency I dwelt on the difficulty of governing a nation made up of all of the finest blood streams of Europe, including my own and my hon. friend's blood streams. My grandfather was a Frenchman and I am proud of it. At this very difficult time through which we are passing, when the very life of our institutions which it has taken centuries to build up is at stake, I do not think it is well that utterances should go forth from this House of Commons which would have for their purpose the splitting of this nation, not into two racial groups only, but into dozens of racial groups.

Whether my hon. friend likes it or not, the democratic nations of the world are in the most desperate position in their history. If we win this war it will be a miracle. But miracles have been performed by our peoples before and they will be undertaken by them again. In this very difficult period I do not think it lies in the mouth of any member of this house to rise in his place and cast reflections on men and women who have made a distinct contribution in building up this Dominion of Canada. I do not take second place to my hon. friend or anyone else in this house or in this dominion in loyalty to our institutions. I have been around this old world and have seen the institutions which have been built up by the British peoples. I believe that the science of government which

has been handed down to the rest of the world by the British peoples has been the greatest contribution to government in the whole history of the civilized world, and I hope that everyone in this dominion, irrespective of race, religion or colour, will do everything he can to help weld us together so that we may move forward through these difficult times to preserve and maintain our freedom and, when the war is over to extend the blessings of democratic government as we understand it.

I think my hon. friend misunderstands the tenor of the particular clause to which he refers, because it provides that a man must have worked in Canada before he can get the benefits of this legislation. I know some of our finest Canadian boys who at this moment are serving in the Royal Air Force and with the British navy and I think it is only right that these young men after they have completed their term of service should receive the same treatment, if they come within the four corners of this legislation, as those Canadians who join a distinctly Canadian force. That is elementary justice. We have always been credited with fairness and surely to God we are going to be fair to our own flesh and blood. We are not going to differentiate between them simply because some of our young fellows are serving in the British forces. If it were not for these young chaps up in an aeroplane to-day, this house would not be in session and probably I would be dead; I do not know what others would be doing. I think it is absolutely sound that we should treat these young men the same as we treat the young fellows who join distinctly Canadian forces, whether on the land or on the sea or in the air.

Mr. POULIOT: Mr. Chairman, I am glad to see that the minister is applauded by the Tory members of the house. I have been a member of this house for seventeen years; the members know very well that I have never spoken of race or religion in this house, and I am not to do so now.

Mr. CRUICKSHANK: What are you doing now?

Mr. POULIOT: I am going to teach my hon. friend a lesson in Canadianism. It is true that we are two races in this country, and the only way to have a perfect understanding between them is to believe in equal rights. In my humble view those who were born in Canada and those who have lived here for a long time, whether they speak English, French or any other language, provided that they have taken the oath of allegiance to His Majesty the King and are loyal citizens should have a preference over anyone who comes here from outside. That is my humble opinion. It is time to remind the Minister of Labour—

Mr. MACKENZIE (Vancouver Centre): This does not apply.

Mr. POULIOT: It is quite appropriate, because it relates to the very section.

Mr. MACKENZIE (Vancouver Centre): It does not apply.

Mr. POULIOT: I will ask the minister to keep quiet. He knows very well that I make an exception for him, and that I have said concerning him, that there were some people who were not born in Canada who are better Canadians than some who were born in this country. In that I referred to him.

I want now to continue and finish what I have to say. I will not be hard upon the Minister of Labour, because he has been out of the house for a long time. But when he referred to his election in Welland, let me say I am sure that the present legislation was never mentioned to the good electors of that constituency. I should like to have known their verdict if it had been.

I want everyone in this country to be just as happy as possible under the present dire circumstances which we have to confront; and after the war I want every Canadian to have an opportunity to live and not to be the servant of anybody who comes from anywhere else.

Mr. HANSON (York-Sunbury): What about Hitler?

Mr. POULIOT: That is my humble point of view. Whether it is to be explained to the electors of York-Sunbury, where the leader of the opposition (Mr. Hanson), resides, or to any constituency of the city of Toronto, let me say that I am ready to have a joint meeting with the Minister of Labour in his new constituency of Welland, in York-Sunbury where my hon. friend the leader of the opposition has his residence, or in any constituency in Toronto and discuss the matter with any member of the House of Commons. What I want is that every Canadian citizen shall be given the first opportunity in this country.

Mr. CRUICKSHANK: Mr. Chairman, I rise to a point of order. I should like to know what this discussion has to do with the bill now before the committee.

Mr. POULIOT: Mr. Chairman—

Mr. CRUICKSHANK: I have asked the Chairman, not the hon. member.

Mr. POULIOT: I will ask my hon. friend—

Mr. CRUICKSHANK: I asked the Chairman, not you.

Mr. POULIOT: I ask the hon. member for Fraser Valley (Mr. Cruickshank) to take the trouble in the first place to read the rules of the house.

The CHAIRMAN: Does the hon. member for Témiscouata wish to speak on the point of order?

Mr. POULIOT: Yes.

The CHAIRMAN: Well, then, speak.

Mr. POULIOT: Section 2 reads thus:

2. In this act and in any order or regulation made thereunder, unless the context otherwise requires,

(a) "service in his majesty's forces" includes service since the commencement of the present war in or out of Canada in any capacity, in pursuance of any enactment relating to the naval, military or air forces, except service during a definite period of military training in pursuance of the National Resources Mobilization Act, 1940, and shall include service in the Canadian Women's Army Corps or in the Canadian Women's Auxiliary Air Force;

The second part of this section, paragraph (b), refers to employers.

My argument, sir, was that the people mentioned in the first place could have been non-Canadians excepting for a short residence in Canada, and the point was confirmed by the Minister of Labour himself when I asked him the question whether all those in his majesty's forces could enjoy the advantages of this legislation if they were men; his answer was, "yes." It was after that that I said that red-blooded Canadian citizens were entitled to a preference over anybody coming from any other country to this country. That was my contention. At that point the hon. member for Fraser Valley—my good friend, except for five minutes a month—

The CHAIRMAN: Order. We are on a point of order.

Mr. POULIOT: —rose on a question of order and complained that I was not in order in discussing this matter. I claim that his objection is unfounded and, sir, I await your ruling with confidence.

Mr. CRUICKSHANK: May I say one word? I am willing that the hon. member should proceed.

Mr. POULIOT: I am dealing with a point of order.

Mr. CRUICKSHANK: Let the hon. member talk. He will talk, anyhow.

[Mr. Cruickshank.]

The CHAIRMAN: Does the hon. member for Fraser Valley (Mr. Cruickshank) desire to speak on the point of order?

Mr. CRUICKSHANK: Yes. I am willing to withdraw my objection. The hon. member for Témiscouata is going to have his say anyway. Let him have it.

Mr. MACKENZIE (Vancouver Centre): May I say a word, Mr. Chairman, before you rule on the point of order? This is entirely on a question of viewpoint and policy. As I understand it, the hon. member for Témiscouata says in effect that if a person has been only a short time in Canada, even though in employment, if he enlists in the forces of his majesty he is not entitled to the benefits of this legislation. This legislation gives him the right to reemployment in Canada provided he has been in actual employment before enlisting in the service of His Majesty the King, and I believe the whole house will agree with that.

The CHAIRMAN: Does any other hon. member desire to speak on the point of order?

The point of order is that the remarks of the hon. member for Témiscouata were not related to the section now before the committee. The reference is, clearly, to standing order 58 of the rules of the house. Section 2 of the bill defines the classes of persons who will have the benefits given by the measure. As Chairman, I am not supposed to pass judgment on the merits of the submission made by the hon. member for Témiscouata. I would think that the remarks would have been more appropriate, perhaps, under section 3, where the privilege so created is enacted. But I believe that the definition of the persons who are to benefit under section 3, being a limitation of these persons, is sufficiently broad to justify the hon. member in discussing the matters which he has discussed, under section 2. I think there is a sufficient relationship between his remarks and section 2 for me to rule that his remarks were within the provisions of the rules of the house.

Mr. MacNICOL: Mr. Chairman, section 2, as you have said, in my judgment very appropriately, enumerates the various groups or classes of the returning soldier workers who are to benefit under this measure; and it is about that that I wish to speak for a moment or two. I have not any fault to find with those who are enumerated but rather as to those who are left out. I would refer for a moment or two to the paragraph of section 2 which reads:

(a) "service in his majesty's forces" includes service since the commencement of the present war. . . .

Then it describes that service in Canada prior to or immediately following the outbreak of war, in subparagraph (i) and of paragraph (b), where it is stated:

(i) had employee status on September 9, 1939.

Which means that any man or woman employed in industry prior to September 9 had what might be called a more or less permanent, or, as the bill says, employee status, and so comes under the benefits of this measure. Quite right, I support that. That means, when that particular group returns to Canada they shall under this measure be taken back into the factory in which they had been working when they enlisted, and if the old job is not in operation, I assume the bill says they are to have something equal to it. I agree with that. Then—

(ii) having been hired after September 9, 1939, was employed for at least six months. . . .

That is the second group. It means that any soldier worker, man or woman, who had been employed following the outbreak of the war for a period of six months, returning to Canada, shall be eligible to be put back on the job he or she gave up in order to enlist, or an equivalent job in the factory in which he or she had been employed. I have no objection to that. But I am wondering what is to happen to the multitude of young men who did not have employee status on September 9, 1939, or did not have employment for six months following September 9.

Mr. MACKENZIE (Vancouver Centre): Provision had been made for the cases mentioned under the terms of the order in council of October 1, 1941, under which it is not of any consequence whether or not employment was had before enlisting in the service. Whether he had employment before he enlisted or not, we are charged with the responsibility of trying to find employment for him, and there are six specified benefits, by way of vocational training, educational training, awaiting the return of crops and others, made available to him under that order in council. If we fail to find employment for that man through any of these other five groups or benefits, then he is entitled to out-of-work benefit for fifty-two weeks after his discharge within a period not exceeding eighteen months after the time of discharge.

Mr. MacNICOL: That is splendid news. I had not heard of that before. But why is that not in the bill?

Mr. MACKENZIE (Vancouver Centre): This was introduced only as a result of a promise made. This was an order in council passed in June, 1941; subsequently to that several others were passed. It is a matter of policy really whether it is wise to embody these orders in council in legislation during the progress of a war, because we may find it necessary to amend them from week to week and improve them. During the last war most of the legislation was deferred until the conclusion of the war. In regard to the provisions of the order in council of October 1, 1941, we thought it wise not to implement it by legislation, but there was an objection raised by the hon. leader of the opposition, and quite properly so, that we should implement this particular order in council by legislation. At that time the then Minister of Labour promised that this bill would be introduced implementing the order in council.

I do not want my hon. friend to have the idea that this is considered to be all-embracing; it is not. It is an infinitesimal part almost of the entire programme of reconstruction, and possibly it is unfortunate that it comes into the house at this time. I agree with the suggestion of some hon. members the other day that possibly the house would have a better conception of what is being done if we were able at the same time to take a comprehensive view of these orders in council before a committee. But this bill comes before the house as a result of a promise made and a promise kept. Its scope is very limited. It has been administered under order in council by my department for the last eight months, and although very few cases have come to our attention we have succeeded in every case in obtaining successful results. Therefore I would urge upon the committee again not to conclude that this is a major measure of reconstruction policy, because it is not.

Mr. MacNICOL: I think the bill is even better than the minister says.

Mr. MACKENZIE (Vancouver Centre): We think it is good as far as it goes.

Mr. MacNICOL: It touches only the fringe, but it is a large fringe, because it provides employment for those who had employee status on September 9; that is not a small number—

Mr MACKENZIE (Vancouver Centre): It will become more important as the years go on.

Mr. MacNICOL: —and it will provide employment for those who obtained employment in the following six months; that also will be a goodly number. It is a good start in the right direction; I would not minimize it. But there are many men coming home now who did not have employee status and whom I should like to see covered. What is being done just now I do not know, but the

bill does not provide for those who did not have employee status. I am glad to hear the minister say that provision has been made for them by order in council, but I should like to have seen a provision in the bill. Since, however, my hon. leader said something about that, I would not for a moment differ from anything he said, because he has a great knowledge of law and the drafting of statutes and I have none, so probably the better way to do it is the way the minister has set out to do.

I think the minister has cleared up the question I wanted disposed of, concerning that large number of soldier young men who, through no fault of their own, never did a day's work because the work was not there for them to do, either before or after the outbreak of the war. I understand now that they are to be provided for, so I have nothing further to say about section 2.

Mr. FAIR: I should like the minister to give an outline or some definition of this. Paragraph (i) reads:

had employee status on September 9, 1939, or by reason of wage agreement or otherwise had a recognized position, other than a temporary position.

And paragraph (ii):

having been hired after September 9, 1939, was employed for at least six months in other than a temporary position (exclusive of any probationary period required by published regulation or agreement as of September 9, 1939) immediately before he was accepted for service in his majesty's forces.

At the present time and for years past I believe that in the civil service, for example, there are people who have been working for quite a long time but are still classed as temporaries. That qualification existing in that and other lines of business would perhaps deprive people who should be classed as having steady employment of benefits under this bill. Would the minister define what is meant by those two paragraphs which I have read?

Mr. MITCHELL: "Employee status" is generally understood in industry. Where there are wage agreements it is usually defined in the agreement. It differs from one industry to another. My experience has been, notwithstanding some hard things that have been said here to-night about industry, that there are decent, honest employers, and my view is that with this bill as leadership it will be found that the Canadian employer in the main and where it is practicable—there are always exceptions—will measure up to his responsibilities.

Mr. MacINNIS: Such as the Kirkland Lake employers.

[Mr. MacNicol.]

Mr. MITCHELL: We will deal with that when the time comes. You have your say and I shall have mine. We are dealing now with this particular bill. I believe this bill will give leadership to Canadian employers. For the information of the committee I might say that our two railroads have not only adopted the principle of this bill already but have done even better than this bill. I have heard many hard things said about the railroads of this country, so I think it should be fairly stated in this house when an employer does treat his employees decently. I do not think you should convict the whole of Canadian industry because some employers do not play cricket. After all is said and done, that is a two-way street too; there are two phases of that matter.

Mr. MARTIN: The minister has forgotten the point raised by the hon. gentleman who has just spoken. He pointed out that in paragraph (b) (ii), those holding temporary positions are not regarded as having "employee status", and then he goes on to point out that there are many people working in the civil service who are not permanent and who consequently could not take advantage of the provisions of this bill.

Mr. HANSON (York-Sunbury): Is that not a very technical interpretation?

Mr. FAIR: That is what I want cleared up. We have civil servants who have been employed for the last five years, but who are still temporary. On the other hand, a man or woman may be in some other job for only a month, yet he or she would be regarded as having a permanent position.

Mr. MITCHELL: Would this not be a fair thing to say about the civil service, that in the main you can almost call them permanent temporaries? It is a technical point, I think, but that is what I would call them. Many of these people in the civil service have worked for the government for a number of years. I agree that it is a contradiction in terms, but I am told that this is how they are described in the civil service itself.

Mr. COLDWELL: Some of them have been temporary for twenty years.

Mr. FAIR: My reason for wanting these technicalities cleared up is in order that no one may be deprived of the benefits of this legislation later on because of the technicalities that may exist in the bill as it stands.

Mr. DIEFENBAKER: I should like to ask the minister one question, and then I will proceed with the remarks I have to make. Is

this bill intended to cover not only those who have enlisted to date but also those who may enlist hereafter?

Mr. MITCHELL: Absolutely.

Mr. DIEFENBAKER: Well, Mr. Chairman, I submit that it will afford no protection in securing reinstatement to any man who enlists after this date. As I understand the situation, this statute is based on an order in council, and I am going to point out to the minister that the bill as it is now drafted will not protect any man after this date. In order to prepare a foundation for my argument, I first point to line 6 of the preamble, which reads:

. . . and whereas many employers of persons who have enlisted to serve in his majesty's forces in the present war have voluntarily undertaken to reinstate in employment such persons . . .

Then at line 12:

. . . and whereas it is desirable that all persons who have left employment to enlist should be relieved of any cause for concern in regard to their reinstatement in such employment, and that there should be uniformity of treatment in the matter of reinstatement in employment of those who have so enlisted; and whereas it is deemed expedient for the security, defence, peace, order and welfare of Canada that provision should be made for the orderly reinstatement in their previous employment of such persons aforesaid . . .

In every case in the preamble reference is made to persons who have enlisted prior to this date. In no case in the preamble is there any reference to the necessity of protecting the men who enlist after this date. While ordinarily the preamble is not regarded as part of the statute, nevertheless it will be looked at in the matter of interpretation. The preamble definitely refers only to those persons who have enlisted to date.

Mr. McLARTY: Would that not be taken to refer to the time at which they seek reinstatement, rather than the time of their enlistment?

Mr. DIEFENBAKER: Well, I will go on now to the definition of service in his majesty's forces. It does not say what this means, but it does say what it includes: It reads:

"service in his majesty's forces" includes service since the commencement of the present war in or out of Canada in any capacity, in pursuance of any enactment relating to the naval, military or air forces. . . .

That is service since the commencement of the present war.

Mr. MACKENZIE (Vancouver Centre): At any time since the commencement of the war, up to the time of application for reinstatement.

Mr. DIEFENBAKER: Well, I am just pointing out the situation.

Mr. MACKENZIE (Vancouver Centre): There is no question about that.

Mr. DIEFENBAKER: It goes on to say:

. . . and shall include service in the Canadian Women's Army Corps or in the Canadian Women's Auxiliary Air Force.

Then I refer to section 3, which reads:

It shall be the duty of any employer by whom a person accepted for service in his majesty's forces was employed when accepted for such service, to reinstate him in employment after honourable discharge . . .

Reading that portion of section 3 with the preamble, and with section 2 (a), I say to the minister that in my opinion it refers only to those who have heretofore enlisted and does not cover those who may hereafter enlist, and as the matter stands at present I think it should be submitted to the law officers.

Mr. MACKENZIE (Vancouver Centre): I may inform my hon. friend that it has been very carefully reviewed by the law officers. The intention of the statute is most manifest, in that it relates to service at any time from September 9, 1939, until the soldier comes back and applies for reinstatement. This is only a bill concerning reinstatement in previous employment. It does not matter when the soldier comes back; his application for reinstatement is valid any time after he returns from service in his majesty's forces.

Mr. HANSON (York-Sunbury): I should like first of all to refer to the parentage of this bill. On many occasions the minister has said that this measure was brought down in response to a promise made to me. That promise was asked in order to give some permanency to this policy, because an order in council might be altered or rescinded overnight. So much for that.

I believe there is something more in the contention of the hon. member for Lake Centre (Mr. Diefenbaker) than the minister appears to see. The interpretation of statutes is always a technical and difficult thing. If there is any doubt about it in the minds of legal men, it should be made clear. I must confess that I had not thought of the point mentioned by the hon. member for Lake Centre until he spoke to me about it, but I think it is a point that ought to be reviewed. On the spur of the moment the best thing I can suggest to the minister to help make it clear is to insert the word "shall" in line 13 of page 1, before the word "have" at the beginning of that line. Then it would read "shall have left employment to enlist." That might not have the effect I think it will

have, but I was thinking quickly, and on the spur of the moment. The words "who have, or shall hereafter" would be still better.

Mr. MACKENZIE (Vancouver Centre): I have no objection to that.

Mr. HANSON (York-Sunbury): Then, in line 17 I suggest the words, "those who have or shall hereafter have enlisted", or something like that. I would ask that those words be reviewed.

I have a question or two with regard to section 2. If I understood the minister correctly, there was a subsequent order in council which made provision for those who were not covered by the order in council which is being crystallized into this statute. Those who did not have employee status are being taken care of under special provisions, and under a special set-up. I believe that is a fair statement. Would it not have been well to have all the provisions incorporated in one statute, and one set-up, as has been suggested by the hon. member for Weyburn.

I have not heard any answer to that suggestion. The minister has made it quite clear that they have attempted to take care of the men by a different arrangement. I should think it would have been wise to place that arrangement in the same bill, and I ask that consideration be given the point. We all wish to accomplish the same purpose; it is a matter of method, more than anything else.

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. HANSON (York-Sunbury): On the point raised by the hon. member for Témiscouata I would say that any man who left Canada and a job, no matter what his nationality may have been, should be taken back, just like any other person. I believe that upon reflection the hon. member for Témiscouata will admit that that is so. When he first spoke I thought he had in mind those who had enlisted in the armed forces of the empire, but who perhaps had not employee status, or had not established residence. I do not think that can be so. I suggest, however, that he should not press the point, because it might raise a very unpleasant feeling throughout the country.

I have one further question with respect to section 2. Why in paragraph b (ii) do we find the expression "was employed for at least six months in other than a temporary position (exclusive of any probationary period required . . .)"—and so on. Why is there provision for a period as long as six months? If the person affected had a permanent job, is the element of six months important?

[Mr. R. B. Hanson.]

Then the effective date with reference to employee status is September 9. Does this not rule out that number of men who resigned their jobs and who enlisted between August 30 and September 9? They could not be said to have employee status, once they resigned their positions, a few days in advance of the war. Some people knew it was coming, and prepared themselves to go. There is a gap in there, and there does not seem to be sufficient flexibility. I would ask that the minister give thought to these suggestions before the bill leaves the committee stage. Those people could not in law be said to have employee status on the day war broke out, if they had resigned before that with a view to enlistment, or taking up war service.

I am not quite sure what is meant by the last part of subparagraph (ii). I have been trying to understand it, but I believe I cannot until I know something more about the circumstances. What is contemplated by lines 21 to 24 inclusive, where we find the words:

. . . or any person carrying on any undertaking or service with which such undertaking or service has been amalgamated or in which it was comprised when the employee's service in his majesty's forces began.

What is visualized by those words? I do not understand them?

Mr. MITCHELL: There are some people who, if they succeed in making a bill so complicated they cannot understand it themselves, decide it will work. This was drafted by the law officers of the crown. The intention of the subparagraph is that if a firm is absorbed by another firm, a man retains his employee status in the amalgamation.

Mr. HANSON (York-Sunbury): With the succeeding firm.

Mr. MITCHELL: Yes. If the firm should split up into a number of smaller firms or partnerships, in the break-up the man will retain employee status in that particular branch of the firm.

Mr. HANSON (York-Sunbury): That is the intended meaning.

Mr. MITCHELL: Yes.

Mr. HANSON (York-Sunbury): Let us suppose that Jones Brothers sold out, lock, stock and barrel, to Brown Brothers. Brown Brothers are then to assume the obligations of Jones Brothers. Is that the case it is intended to meet?

Mr. MITCHELL: That is the intention, yes.

Mr. HANSON (York-Sunbury): If it will work.

Mr. MARTIN: Is there not some merit in the suggestion of the leader of the opposition? I believe there is much merit in it. The important date in the bill is September 9, and yet parts of the British commonwealth were at war before that date. Many Canadians made arrangements for enlistment earlier.

Mr. HANSON (York-Sunbury): To join the Royal Air Force, for instance.

Mr. MARTIN: Consequently, if they did resign before September 9 they could not be brought within the section. Since it is intended that they should be, I believe the suggestion of the leader of the opposition should be accepted.

Mr. MACKENZIE (Vancouver Centre): I am inclined to agree with that, myself. Possibly the insertion of the words "or who before that date left their employment for the purpose of serving overseas in his majesty's forces" would be satisfactory. However, the section should stand for consideration along that line.

Mr. REID: I was wondering whether this section is all-embracing. I know the measure is designed to take care of those who enlisted in the active forces, either of the army, the navy or the air force. But I have in mind a number of citizens serving in the mercantile marine, which is not connected with the military organization, in the strict sense of the term, but who have given faithful service on the high seas. For instance, I have in mind a man who left employment in New Westminster, and who while serving on the seas since that time, has been torpedoed on three occasions. Yet he is not connected in any practical way with the army, the navy or the air force. There are also men connected with fire brigades, who have gone abroad.

Mr. HANSON (York-Sunbury): As civilians?

Mr. REID: They have gone to London. Will not those men upon their return look for the same consideration as the men who are being protected by this bill? I know the men in the mercantile marine lead hazardous lives, many of them serving on the high seas day in and day out. Will this section include those classes of persons?

Mr. HANSON (York-Sunbury): It would not take in the merchant marine; would it take in the fire-fighters?

Mr. MACKENZIE (Vancouver Centre): Just the naval, military and air forces.

Mr. DOUGLAS (Weyburn): If the section is to stand, I would suggest again to the minister, without appearing unduly to press it, that he give consideration to striking out the words between the word "forces" at the end of line 31 and the figure "1940" in line 3 on the following page.

Mr. MACKENZIE (Vancouver Centre): To make it correspond with the previous order in council?

Mr. DOUGLAS (Weyburn): Yes.

The CHAIRMAN: The committee suggests that section 2 stands.

Mr. CRUICKSHANK: We are entitled to know the implication of the hon. member's suggestion. He does not speak very distinctly.

Mr. DOUGLAS (Weyburn): For the benefit of the hon. member I may say I am suggesting that the lines which debar men who were discharged while taking their compulsory training be taken out so as to allow them the benefits of this legislation instead of their having to avail themselves of section 21 of the compulsory training regulations. In that way all men making an appeal for reestablishment in civilian employment will come under one piece of legislation and under the administration of one minister.

Mr. MACKENZIE (Vancouver Centre): My hon. friend would not delete all the rest of the section; he would leave in the words—

Mr. DOUGLAS (Weyburn): After the figure "1940" of line three, page two.

Mr. MACKENZIE (Vancouver Centre): That will be considered.

Mr. FRASER (Peterborough West): Will this cover the man who has worked as a hired man for ten or twelve years?

Mr. MACKENZIE (Vancouver Centre): If he enlists?

Mr. FRASER (Peterborough West): Who enlists.

Mr. MACKENZIE (Vancouver Centre): I certainly think it would apply to him. I thought my hon. friend meant a man who might be getting leave for work on a farm.

Mr. MITCHELL: It applies to everybody.

Mr. FRASER (Peterborough West): Supposing in the interval the farmer's son who was under age and could not enlist has taken the place of the hired man; what happens?

Mr. MITCHELL: I will take that hurdle when I come to it.

Mr. FRASER (Peterborough West): Will it cover the man who has worked for the government in a temporary position?

Mr. HANSON (York-Sunbury): It does not apply to the crown.

Mr. MITCHELL: I would think that the crown will be just as generous to its employees under this legislation as it expects employers in private industry to be.

Mr. HANSON (York-Sunbury): Technically it does not apply to the crown.

Mr. FRASER (Peterborough West): I am referring to the men who work on the canals and who have employment for perhaps five or six months in the year. Many of them have been working for the government for fifteen or twenty years and they should be covered.

Mr. MacINNIS: I do not think we should take up too much time in trying to find out whether this is going to apply to government employees who enlist. It seems to me that this bill will come into operation only in certain specific cases. Where men are fairly well organized, such as in the railways, mentioned by the Minister of Labour, there will be no difficulty in regard to reinstatement. That would be arranged before they enlist. Employees know that they will maintain their seniority, and the companies will agree that they may come into their positions as they were when they left. This bill will apply largely to men who are not organized. That is the way the government could deal with their temporary employees. The government should decide what it is going to do; it would not need a bill of this kind. I think it would be rather an anomaly to put conditions like that in a bill. This is a very restricted bill and we should consider it in that way.

Mr. WHITE: The definition of "employer" in section 2 is any person carrying on any undertaking or service. Does the minister not think there should be some other definition to include corporations, companies and partnerships?

Mr. HANSON (York-Sunbury): Under the Interpretation Act, "person" includes corporation.

Mr. WHITE: This is the interpretation. If an action is taken later on, it may be found that a corporation is not covered by this definition.

Mr. MACKENZIE (Vancouver Centre): The phraseology is exactly the same as that in the order in council, but that point will be considered with the law officers before the bill is disposed of in committee.

Mr. HAZEN: The leader of the opposition has suggested that lines 21 to 24 should be redrafted. I am sure that no one in this committee can interpret what those lines mean.

They should be clear in the bill and I think they should be redrafted.

Mr. LOCKHART: Would the minister indicate what benefit would accrue to a man who had enlisted, served in England for one or two years, and then was discharged within the last three, four or five months?

Mr. MACKENZIE (Vancouver Centre): This bill only covers reinstatement in civil employment, and that would mean only a small fraction of those coming back. There are other provisions, as I explained earlier in the evening, which are quite widespread in scope and which deal generally with those who are discharged. In the first place, those who are discharged and pensionable—

Mr. LOCKHART: Not pensionable.

Mr. MACKENZIE (Vancouver Centre): I am coming to that class immediately. In connection with those who are not pensionable, there are various grants to cover reconditioning. If they can be reconditioned back to a better physical position for civilian employment, that is carried on and they can receive pay and dependents' allowances for 122 days for their families, when they are discharged while still in hospital. There are grants to cover those whose education has been interrupted and who may wish to resume their studies at college or university. There is a grant to cover vocational training for those who would like to go on and take courses in industrial training. If none of these other benefits are available, then there are what we call out-of-work benefits which are paid as a last alternative and which amount to $9 and $13 a week for single and married men respectively. These apply to those men who are coming back under the provisions of the order in council of October 1. This bill applies only to one phase of the matter—the reinstatement by compulsion of those who were in previous employment.

Mr. JOHNSTON (Bow River): Do I understand the minister to say that some provision will be made for, say a young fellow who had taken a year in a university and then joined the air force? What assistance will be given this man when he comes back if he wants to return to the university?

Mr. MACKENZIE (Vancouver Centre): That is all covered by the terms of the order in council.

Mr. JOHNSTON (Bow River): What number is that?

Mr. MACKENZIE (Vancouver Centre): I sent a copy personally to every hon. member

so that he would not have to depend upon the *Canada Gazette* to find out what these provisions were.

Mr. HANSON (York-Sunbury): I am afraid they do not read them.

Mr. MACKENZIE (Vancouver Centre): There are grants for exactly the type of case mentioned by my hon. friend. For those who come back and wish to resume their education which was interrupted by the war, subsistence grants are made to enable them to continue their course, and provision is made for paying the fees at the college or university while their education is being completed. That is one of the most far-reaching benefits that has been granted in any country.

Mr. CRUICKSHANK: I may be wrong, but as I understood the argument of the hon. member for Vancouver East (Mr. MacInnis) the other night, he advocated that soldiers returning from overseas be treated exactly the same as men working in munition factories or shipyards. My question is, are the soldiers to receive separate consideration from those working in shipyards and munitions factories?

Mr. MACKENZIE (Vancouver Centre): There is a definite preference in the civil service already established by order in council for those who have served with his majesty's Canadian forces and were resident in Canada before going overseas. There is also a preference at the present time in government departments, particularly in the Department of Munitions and Supply and the Department of Public Works, for those who have served with his majesty's forces, and of course upon their return that will be a very substantial and far-reaching preference.

Mr. CRUICKSHANK: I understood from the remarks of the hon. member for Vancouver East that he objected to that. I am in favour of it.

Mr. MacINNIS: I rise to a point of order, Mr. Chairman. I never objected to a preference for the returned men in the way the member for Fraser Valley (Mr. Cruickshank) has put it. He wants to make a little political capital in Fraser Valley, but I am prepared to go to Fraser Valley and make out my case to the perfect satisfaction of every man in that constituency.

Mr. GILLIS: Since this clause dealing specifically with the status of employees is to stand, I should like to make a few remarks now for the consideration of those who will be revising this clause.

As I see it, this bill has to do with one of the most important parts of rehabilitation, how the man who leaves his job is to be placed when he returns. The minister of pensions said a moment or two ago that all or most of the legislation with respect to rehabilitation after the last war was left until the war was over. I know that many of us have grown old seeking legislation to try to cure some of the ills, physical and economic, suffered by the men who went through the last war.

What I am concerned about now is this. The economy of Canada to-day is geared to curtail as much as possible consumption buying and the production of consumer goods, in the course of which many peace-time industries are being legislated out of the picture. In the rubber industry, for example, I believe that thousands of workers will soon be out of work. These men will not have a job.

Mr. MITCHELL: The hon. member would not blame this legislation or government policy for that?

Mr. GILLIS: No; I am simply pointing out what is happening. Many men employed in the rubber industry will be without a job through no fault of their own and through no fault of the minister, because he has no control over the shortage of rubber. These men will then have no status as an employee. Numbers of them will probably go into the armed forces in order to get a job, and when they return after the war is over, they will have no status as an employee when they enlisted. I leave that thought with the minister.

Mr. MACKENZIE (Vancouver Centre): They have all the other rights.

Mr. MacNICOL: They would have established employee status by being at work on September 9, 1939, or having been employed for six months after September 9.

Mr. GILLIS: The retail gasoline industry is also being gradually legislated out of the picture. I know a lot of men who have enlisted and who had no status as an employee because the curtailment of their business forced them into unemployment. Having no status as an employee when they enlisted, they have no job under this bill when they return.

I have also in mind the men in Kirkland Lake who are unemployed to-day. Many of them since they became unemployed have perhaps already enlisted. They became unemployed because they obeyed the laws of Canada and accepted the government's proclamation by order in council that they had a right to do certain things and because the government urged them to organize and

cooperate with industry. Many of these men who will go into the armed forces have now no status as employees. As I pointed out in the few remarks I made on the second reading of the bill, I think it was a mistake to have separated this bill from the department of pensions. I think it should have stayed in that department and with the committee who have been working on rehabilitation in the past.

There is another class of worker for whom I would speak. The hon. member for New Westminster (Mr. Reid) referred to them a few moments ago. The men in the merchant marine are performing, I believe, one of the most essential war services to-day. We would have no war abroad if it were not for the service these men are performing. In the section from which I come many men have left industry and gone into the merchant marine. They have some protection if serving on a Canadian ship, but otherwise they have none. I have known of many ships which have docked in the port of Sydney and whose captains have had to go out and recruit men before they could take their ships out again. For patriotic reasons men have left their ordinary employment and gone into that service, and I think that under this bill they should have the same protection after the war as the men in the armed forces. There is not a man in uniform or out of it who is performing a greater service and getting as little for it as the men in the merchant marine. I take off my hat to them. They are performing one of the most vital services in connection with the war.

Mr. HANSON (York-Sunbury): They saved the army at Dunkirk.

Mr. GILLIS: Exactly, and they are now feeding the army, under difficult circumstances. It takes a lot of courage to get on these boats even when they are in harbour, let alone crossing the ocean. I make these remarks for the purpose of provoking the thoughts of the minister, so that when clause 2 is under revision consideration may be given to the points I have raised.

Mr. LOCKHART: There is one point I should like the minister to clarify. He indicated very clearly the provisions of the order in council, but I have in mind several cases of men who enlisted one or two years ago in category A and have been discharged in category E. I referred one of these cases to one of the departments recently, but I do not know where it will be finally dealt with. These men will be going into hospitalization for six, eight or ten months, possibly a year. When they come out, will they still be qualified to benefit under this bill, as and when it is passed?

Mr. MACKENZIE (Vancouver Centre): I am not sure whether I caught the point.

Mr. LOCKHART: It will probably be a year before these men have recovered their health sufficiently to get into employment again. Will their employer then have to take them back?

Mr. MACKENZIE (Vancouver Centre): The point has not come to my attention before, but I would say yes.

Mr. LOCKHART: How can these men make application when in a state of convalescence except by anticipating their condition a year hence? The bill says that application must be made within a prescribed time.

Mr. HANSON (York-Sunbury): Were they demobilized or discharged?

Mr. LOCKHART: The man I have in mind was discharged on the seventeenth of February.

Mr. MACKENZIE (Vancouver Centre): It would depend upon the interpretation of section 4, which says: "within three months after discharge". I would imagine that would only apply within three months after discharge from the forces. On the other hand, if the man were in one of our own hospitals awaiting discharge, he would apply within three months after discharge from the hospital.

Mr. HANSON (York-Sunbury): Would he get hospitalization after discharge?

Mr. MACKENZIE (Vancouver Centre): Oh, yes.

Mr. HANSON (York-Sunbury): Well, then, he would not be covered.

Mr. GREEN: Is that not a very important point, because many of these men who come back are not fit, and then they are discharged from the army and go under the Department of Pensions and National Health for treatment, and they are not able to work until they have completed that treatment? Surely section 4 should be amended to give the man three months, or whatever may be the time, after his discharge from the Department of Pensions and National Health.

Mr. MACKENZIE (Vancouver Centre): We have not yet reached section 4 of the bill. But I think the point is very well taken and that this should be clarified.

Section stands.

On section 3—Duty of employer to reinstate employee.

Mr. HANSON (York-Sunbury): This is the section which provides for reinstatement. It sets forth the duty of the employer to reinstate the employee, and there is a proviso which deals with the question of preserving the established rules of seniority in the employer's establishment. And it—

Mr. MARTIN: And it leaves out pension rights.

Mr. HANSON (York-Sunbury): It leaves out pension rights. That is exactly what I am coming to. Suppose, for instance, a man has served for fifteen years in the employment of a particular firm and had established his right to pension in respect of that period of service; he then enlists, and at the conclusion of the war he returns to his previous employment. His pension rights are not preserved by the statute, and there is nothing in the statute which compels the employer to preserve the pension rights. He may have to begin over again. I do not know what the action would be on the part of an employer. To-day nearly every big establishment has some kind of a pension system. Some systems are contributory; some are not. I understand that all the railways now have contributory pension systems. A man has some vested rights there. I suggest that this section be redrafted to take care of pension rights just as much as seniority. It is very important to the men. I have often talked to railway men about their pension rights, and I do know that the older they grow, the more they value those rights. It is a kind of magna charta against old age. I should like to have the minister give attention to this question and let us have some undertaking with respect to it.

Mr. MITCHELL: The point raised by the leader of the opposition is one to which I have given some thought. However, the phrase "conditions not less favourable" on page 2, line 30, of the bill, implies the retention of pension and other rights, and regulations can be made under authority of section 11, which could define conditions not less favourable, explicitly to include the retention of such rights. If the bill should specify the retention of pension rights, it might be construed to mean that other unspecified rights were not retained. It might, therefore, be advisable to leave such matters to regulations, especially since different arrangements would be necessary with respect to contributory and non-contributory pensions, sick benefit insurance plans and other plans. I think my hon. friend can rest assured that the matter will not be overlooked.

Mr. HANSON (York-Sunbury): Well, if I were construing this, I would suggest that the clause in the earlier part of section 3 which the minister quoted, "and under conditions not less favourable to him than those which would have been applicable to him had he not enlisted", do not apply to questions of seniority and the like. They apply to his working conditions and his pay and emoluments, and contractual relationships which exist between the parties. Especially is authority given to that contention in the succeeding proviso, which is really not an overriding proviso at all, but is intended, I think, to be an extension of the clause that the minister quoted, "provided, that the right to reinstatement shall be subject to established rules of seniority in the employer's establishment". Under the *ejusdem generis* rule "pension rights" ought to go in there. I press for that. I am not sure that you can by regulation under section 11 force an employer to give the man a pension.

Mr. MITCHELL: I want to say this to my hon. friend, that he is no more insistent than I would be that these men shall retain their pension rights.

Mr. HANSON (York-Sunbury): It is important.

Mr. MITCHELL: Yes; it is important. The lawyers tell me that if it is specifically mentioned there, you must mention all the other things like insurance and sick benefit funds.

Mr. HANSON (York-Sunbury): I want to think about that a little. I want pensions in if I can get it in.

Mr. MITCHELL: As far as I am concerned it would be satisfactory to insert "pension rights" among the other rights specified.

Mr. HANSON (York-Sunbury): Well, you had better consider it overnight.

Section stands.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Tuesday, March 10, 1942

The house met at three o'clock.

TAXATION

CONVENTION BETWEEN CANADA AND THE UNITED STATES SIGNED AT WASHINGTON MARCH 4

Right Hon. W. L. MACKENZIE KING (Prime Minister): I desire to table the text of the convention between Canada and the

United States of America for the avoidance of double taxation and prevention of fiscal evasion, which was signed at Washington on March 4, 1942.

HONG KONG

TREATMENT OF MILITARY AND CIVILIAN PRISONERS BY JAPANESE

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, the United Kingdom secretary of state for foreign affairs made the following statement in the House of Commons at Westminster to-day in reply to an inquiry regarding the treatment of military prisoners and civilians by the Japanese army at Hong Kong after its capitulation:

Out of regard for the feelings of the thousands of relations of the victims, his majesty's government have been unwilling to publish any accounts of Japanese atrocities at Hong Kong until these had been confirmed beyond any possibility of doubt.

His Majesty's government are now in possession of statements by reliable eye witnesses who succeeded in escaping from Hong Kong towards the end of January or early in February. Their testimony established the fact that Japanese army at Hong Kong perpetrated against their helpless military prisoners and civil population, without distinction of race or colour, the same kind of barbarities which aroused the horror of the civilized world at the time of the Nanking massacre of 1937.

It is known that fifty officers and men of the British were bound hand and foot and then bayoneted to death. It is known that ten days after capitulation wounded were still being collected from the hills and Japanese were refusing permission to bury the dead. It is known that women, both Asiatic and European, were raped and murdered and that one entire Chinese district was declared a brothel, regardless of status of inhabitants.

All the survivors of the garrison including Indian, Chinese and Portuguese have been herded into a camp consisting of wrecked huts without doors, windows, light or sanitation. By the end of January 150 cases of dysentery had occurred but no drugs or medical facilities were supplied. The dead had to be buried in a corner of the camp. The Japanese guards are utterly callous and the repeated requests of General Maltby, the general officer commanding, for an interview with the Japanese commander have been curtly refused. This presumably means that the Japanese high command have connived at the conduct of their forces. The Japanese government stated at the end of February that numbers of prisoners in Hong Kong were British 5,072, Canadian 1,689, Indian 3,829, others 357, total 10,947.

Most of the European residents, including some who are seriously ill, have been interned, and like the military prisoners are being given only a little rice and water and occasionally scraps of other food.

There is some reason to believe that conditions have been slightly improved since date on which the eye-witnesses, whom I have quoted, escaped, but Japanese government have refused their consent to visit to Hong Kong of a representative of protecting power and no permission has yet been granted for such a visit by representative of International Red Cross Committee. They have in fact announced that they require all foreign consuls to withdraw from all territories they have invaded since the outbreak of the war. It is clear that their treatment of prisoners and civilians will not bear independent investigation.

I have no information as to condition of our prisoners of war and civilians in Malaya. The only report available is a statement by Japanese official news agency of March 3 stating that 77,699 Chinese have been arrested and subjected to what is described as "a severe examination." It is not difficult to imagine what that entails.

I am sorry that I have had to make such a statement to the house. Two things will be clear from it, to the house, to the country and to the world. The Japanese claim that their forces are animated by a lofty code of chivalry, *bushido*, is a nauseating hypocrisy. That is the first. The second is that the enemy must be utterly defeated. The house will agree with me that we can best express our sympathy with the victims of these appalling outrages by redoubling our efforts to ensure his utter and overwhelming defeat.

That is the end of Mr. Eden's statement. I am informed by our high commissioner in London that on the basis of information so far received, United Kingdom authorities agree that of all the reports of specific atrocities received to date none are alleged to have been committed against Canadians, but no reports show that in so far as general treatment of prisoners of war is concerned Japanese have made any differentiation between Canadians and other British troops.

Words cannot begin to express the sense of outrage and the feeling of bitter resentment to which this announcement of Japanese atrocities at Hong Kong is certain to give rise among civilized peoples everywhere, and nowhere more than in the different countries of the British empire and in the United States with which Japan is at war.

Retribution for barbaric behaviour of the kind will follow in full measure in due course. Meanwhile, numbers of Canadians, both soldiers and civilians, in Hong Kong and in other parts of the far east, are now and will continue for some time to be at the mercy of the Japanese forces. Remembering this fact, it is of the utmost importance that no act of vengeance should be permitted or taken against persons of Japanese origin in our country, since any such acts might be made an excuse for acts of retaliation upon Canadian soldiers or citizens in the orient.

I may add that the Canadian government, in conjunction with the governments of Australia, India, the United Kingdom and the United States, have been and are making every effort, both through the countries which are protecting their interests in enemy coun-

tries and through the International Red Cross, to get into personal touch with prisoners of war and others. The object of all these inquiries is twofold: to secure all possible authentic information, and also to bring such measure of relief in the nature of medical supplies, food and personal comforts as can possibly be arranged.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, the facts related by Mr. Eden and detailed to this House of Commons will shock the whole world. But they will help us to renew our determination to end forever those systems of government under which such atrocities and barbarities are permitted to occur. I should like to express this further thought. Reprisals are unthinkable to those of us who believe in the Christian way of life; and I would sound a note of warning—that reprisals against Japanese nationals in Canada must not be contemplated. Let it never be forgotten that there are still Canadians and British in the hands of the Japanese foe.

Mr. M. J. COLDWELL (Rosetown-Biggar): I should like to add a word to what has already been said. I am sure the recital we have just heard has filled each one of us with horror. The day must come when the officers and governments who have been responsible for these atrocities must be brought to the bar of justice and dealt with in a fitting manner.

I too would join with the leader of the opposition (Mr. Hanson) in expressing the hope that however much our people may be provoked against the Japanese, nowhere in Canada may there be any untoward act which would, as has already been said, give an excuse to the devilish men who are wreaking this kind of treatment upon those who are simply carrying on their activities both military and civil in war time in a fitting way. I cannot help thinking that the civilized world, which is shocked now, ought to have been equally shocked when similar outrages were committed at Nanking. That, however, is in the past, and I join in the expressions of horror and resentment expressed by the Prime Minister and the Leader of the Opposition.

Mr. J. H. BLACKMORE (Lethbridge): In times like these it is easy for us to be unwise. The all-important thing for us to keep in mind is this, that because of mishaps, misconceptions and mismanagement in the past the British empire has allowed itself to become so weak that these things have been made possible. We are suffering from the results of our past mistakes. We cannot in any way atone for them, or extricate ourselves from the difficulties into which they have plunged us, by making others. The thing for us to do is to keep our minds calm and to concentrate with all the power of our being on the things we can do to retrieve ourselves from the disaster into which we are plunged. Certainly one of the things we should not do is indulge in any untoward act toward any national of Japanese origin in this country.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, may I say a word in the circumstances? I should like to ask the leaders of the first three parties who have spoken whether there has been the least suggestion from anyone in British Columbia, or in Canada, that we should take any action against Japanese which would invite retaliation or which could in even the faintest degree be comparable to the brutalities about which we have heard. What we have tried to do is to get the government to take steps, before it is too late, to protect our wives and children in British Columbia from atrocities that may come upon us.

Mr. G. A. CRUICKSHANK (Fraser Valley): Mr. Speaker, I agree that the problem before us is a serious one, and I agree with what has been said by the Prime Minister, the Leader of the Opposition and the leaders of the other groups. But I do wish to point out that members from British Columbia almost unanimously have tried to impress upon the government this very fact about which they have spoken. My information last night at 11 o'clock was that only some 700 Japanese have been moved from British Columbia. Mr. Speaker, that is not good enough. As the hon. member for Comox-Alberni (Mr. Neill) has pointed out, some of us have our wives and children or families out there. We want to impress upon the government what the situation is. So far the government has not taken it seriously enough. It is not that we are advocating reprisals. But the government must bear the responsibility, and it is a most serious responsibility, if they do it well. We do not advocate reprisals; we deprecate them, and will do everything in our power to prevent any. But the government must wake up to the seriousness of the situation.

Some hon. MEMBERS: Order.

Mr. CRUICKSHANK: I might say a lot more than I have, but I want to ask a question, which I am entitled to do, on the orders of the day—and I am more serious than I have ever been before with respect to anything I have said in this house. How many Japanese have been moved from the province of British Columbia since December 7?

Mr. MACKENZIE KING: I was informed only at noon to-day that about 1,000 have been moved. I can assure my hon. friend that both the security commission of British Columbia and the department of government which has to do with this matter are leaving no stone unturned to see that every possible action is taken that will make for the security of the people of British Columbia.

MERCHANT SHIPPING

SINKING OF VESSELS OFF NOVA SCOTIA COAST

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): Mr. Speaker, I should like to direct a question to the Minister of National Defence for Naval Services. As a member for a Nova Scotia coast constituency I want to ask whether reports are correct that several cargo ships have recently been sunk within sight of the Nova Scotia coast, and what steps are being taken to protect this coast and ships plying along it.

Hon. ANGUS A. MACDONALD (Minister of National Defence for Naval Services): I have just received notice of my hon. friend's question. In reply to the first part of it I can say it is true that ships have been sunk not far distant from the Nova Scotia coast. As to the second part, namely, what steps are being taken to protect this coast and the ships plying along it, I do not think that that is the sort of question to which a detailed public answer could be made. All I can say to my hon. friend is that steps are being taken, and that every facility at the command of the naval service and the Royal Canadian Air Force to guard our coastal waters is being used.

AGRICULTURAL IMPLEMENTS

WAR EXCHANGE TAX AND PRICES OF FARM TRACTORS

On the orders of the day:

Mr. W. G. WEIR (Macdonald): Mr. Speaker, I should like to ask a question of the Minister of National Revenue (Mr. Gibson), which I take to be of some importance in its general application. I have here the serial number of a tractor which was sold to a farmer in August, 1940. Under protest the purchaser paid a tax on this tractor of $70.80. I have as well a letter from an officer of the Department of National Revenue which states that this tractor was cleared through customs in April, 1940, and as such would not be subject to the war exchange tax. I have also the serial number of a second tractor that was purchased in 1940 and on which a tax of $66.20 was paid. I am not certain of the date on which this second tractor was cleared through customs, but I think it was early in the spring of 1940. I have also on my desk an article printed in a local newspaper which in effect states that some companies, or at least a company, imported large quantities of farm implements before the imposition of the war exchange tax. These implements have been kept in stock and apparently the policy has been practised of adding the amount of the war exchange tax to the price of the implements.

I would put my question to the minister in this way. First, has the department any knowledge which would lead it to believe that the practice just referred to has been followed by any farm implement company or companies? Second, will the department take steps to determine the correctness or otherwise of the assertion made? Third, if this tax was added to the price of the machinery, was the money so collected paid to the treasury? Fourth, if the tax was collected and not paid to the treasury, will the department take steps to (a) secure the money so collected for the benefit of the treasury, or (b) require the implement company or companies to reimburse the purchaser the amount of the tax so collected?

Mr. SPEAKER: I have already referred to the fact that questions are asked on the orders of the day which should be placed on the order paper. We have an illustration this afternoon in this question which is not capable of being answered at the moment. I think hon. members must take into consideration that these questions, important though they may be, should be placed on the order paper. I would prefer that the minister should not reply to the question.

LABOUR CONDITIONS

STRIKE IN MONTREAL PLANT OF CANADA BREAD COMPANY

On the orders of the day:

Mr. F. D. SHAW (Red Deer): I should like to direct a question to the Minister of Labour. I regret that the circumstances are such as to have made it impossible for me to give him notice. Is it true that a strike of employees in the Montreal plant of Canada Bread, a company which is supplying many of the military camps, has taken place? If so, would the minister make a statement in this connection? Have any steps been taken to investigate the hours of labour and the rates of pay prevailing in the Ottawa branch of Canada Bread?

Mr. SPEAKER: This question is in the same category as the one just asked by the hon. member for Macdonald. It should be placed on the order paper.

PRAIRIE FARM ASSISTANCE ACT

AMENDMENT OF PROVISION RESPECTING DECLARATION OF EMERGENCY YEAR

Hon. J. G. GARDINER (Minister of Agriculture) moved the second reading of Bill No. 14, to amend the Prairie Farm Assistance Act, 1939.

Mr. HANSON (York-Sunbury): We understood that Bill No. 13 would be called first.

Mr. GARDINER: We just want to advance this bill to the second reading and then we will call the other bill.

Mr. LACOMBE: I have an amendment to move.

Mr. GARDINER: The arrangement was made that the three wheat bills would all be brought to the stage of the second reading and then we would be able to discuss all three at the one time. This bill has now advanced to the stage where it can be moved for second reading. It is not my intention to make any remarks with regard to it other than I made in my speech the other day on Bill No. 12. I am moving that this bill be now read a second time and when it is read the second time in this house it will be referred to the agriculture committee.

Mr. LACOMBE: I move, seconded by the hon. member for Gaspe (Mr. Roy) that all the words after—

Mr. SPEAKER: It is moved by Mr. Gardiner that the bill be now read a second time.

Mr. WEIR: In order to carry out the understanding that was agreed to, I move the adjournment of the debate.

Motion agreed to and debate adjourned.

CANADIAN WHEAT BOARD ACT

PROVISION FOR INCREASED RATE PER BUSHEL ON WHEAT DELIVERED BY PRODUCERS

The house resumed from Monday, March 9, consideration of the motion of Mr. MacKinnon (Edmonton West) for the second reading of Bill No. 13, to amend the Canadian Wheat Board Act, 1935.

Mr. E. E. PERLEY (Qu'Appelle): Mr. Speaker, when the Minister of Trade and Commerce (Mr. MacKinnon) made his statement on this bill I moved the adjournment of the debate. I wish now to make a few references to this measure. The Minister of Agriculture (Mr. Gardiner) has stated that by arrangement these three measures are to be more or less considered at the same time, so that any reference I may make to Bill No. 12 or to Bill No. 14 will be quite in order.

At the outset I should like to register a protest, as I have on former occasions, against the bringing down so late in the season of measures affecting the agricultural interests in western Canada. The farmers will have to change their programmes more or less to meet the provisions of the measures that will pass this house. This is March 10. Seeding will be taking place in another two or three weeks. Last year it was May before we finally decided on the regulations with respect to the wheat acreage reduction. It is hardly fair to ask the farmer to change his whole programme a few days before he starts seeding.

I believe that Bill No. 14 and Bill No. 12 could be proceeded with with considerable haste. Bill No. 13, the one I am speaking to particularly now, deals with the matter of price. As the farmer will not be affected by the provisions of this bill until next fall, I think we should take considerable time to consider it in committee. I do not think it is necessary that this bill should be reported back from committee as soon as the others. In committee we should have a good deal more information than we have had about this whole problem of wheat marketing, prices, and so on.

I think we are all agreed wheat is the chief commodity produced in Saskatchewan. In that province we have what might be termed a wheat economy. If you will consider the part that wheat plays in our national income you will realize the importance that should be attached to it. Only about five per cent of the national income goes to twenty per cent of the population of Canada who are depending on agriculture in western Canada. I think you will realize that there is something wrong. I hardly think I need state my position again. On many occasions I have gone on record in this house, and I think it is well understood just where I stand. I think I can say that my position is such that I have been the greatest champion of the producers of western Canada in this house. For fourteen consecutive sessions I have been a greater champion than any other member from western Canada.

It was very interesting for me to listen yesterday to the hon. member for Moose Jaw (Mr. Ross) make the somersault that he did. I recall that last year he supported 70-cent wheat, but yesterday he would not stop at 90 cents. No, sir; he would not establish the economy of western Canada on a basis of 90-cent wheat but would go up to $1.25 a bushel. I hope that when this bill comes back from the committee he will still be of the same mind and give that price his support.

However, he wound up by saying that he would support these measures which the government brought down yesterday.

Mr. REID: He is just outbidding the others.

Mr. PERLEY: Of course he is, and I hope he backs it up when the time comes.

Agriculture in this country entered the war in 1939 at practically an all-time low. It had taken a count of nine and was in no condition to stand the count of ten and a knock-out. But if we compare the state of agriculture in Canada with agriculture in the United States in 1939 when we entered the war, it will be realized that agriculture in the United States entered the war in a much better condition than we did in Canada, and has been dealt with more generously since. The United States are still continuing to look after agricultural producers in that country. I have a report here from Chicago, dated March 3 of this year, which states that the Commodity Credit Corporation of the United States has insisted that there shall be no further sales from the "ever normal" granary. They are not worrying about their surplus.

Great Britain, too, has been looking after its farmers. I have a report here from Liverpool stating that there will be an increased price of 16½ cents a bushel to the British farmer to encourage production in that country.

I recall, as will other hon. members, that in 1935 during the discussion on the Canadian Wheat Board Act which we are amending to-day, Right Hon. R. B. Bennett made the statement and produced figures to show that western Canada had produced in the preceding six years six billion dollars of new wealth, and he added that a country or any part of a country which was capable of that great production was a country worth saving. I hurl those remarks across the floor of this house to-day and say that the possibilities that exist in western Canada of producing a vast amount of new wealth annually makes it a country well worth while saving.

In western Canada we must stick to our wheat economy; for if we in the prairie provinces undertook instead to produce live stock to our full capacity, agriculture in Ontario and possibly throughout Canada would be ruined. So I say that we must not replace our wheat economy in the west by any other production policy.

I have one or two suggestions to make. In view of the present critical stage of this war and of what is taking place throughout the world, I submit that speculation on the stock and grain exchanges should cease immediately. Indeed it should have ceased when the war started. Costs of production, transportation, marketing, and every other feature of our price structure affecting the agricultural life of Canada, should be maintained as near to normal costs as possible, so that the greatest efforts on the part of our producers can be exerted at the least possible expenditure. As to retail prices, instead of talking so much about a ceiling, the government should put retail prices, or a great number of them, back to where they belong until parity is brought about with the prices of farm products.

The Minister of Agriculture yesterday made a clear-cut statement and gave a detailed review of the situation of agriculture. He went on to speak of the prices of cattle, hogs, butter, eggs, cheese, and so on, for all of which I commend him, although the credit is not due to him alone. There is a war on; there is a demand for these farm products; our western farmers promptly responded to that demand, and a great deal of the credit is due to them. Certainly with a war on prices must advance and have advanced.

The minister also reviewed farm income in Canada. He said—I hope he is right in his mathematics—that there will be a considerable increase in 1942 in individual farm incomes. In connection with his Bill No. 12, he stated that he was endeavouring to hold the acreage seeded to wheat this year around the twenty million mark. I think that is quite a reasonable figure, because with the increase in summer-fallow last year and the decreased acreage seeded to wheat, it is only reasonable to expect that we shall not exceed twenty million acres in wheat this year. If we have an average crop from that acreage it is quite possible that there will be no difficulty in absorbing all the wheat that will come on the market.

The minister also referred to vegetable oils. He emphasized the importance of encouraging the producers of stock, cattle, hogs and so on, in order that animal fats might be available. I shall leave any further reference to that part of his remarks to the hon. member for Danforth (Mr. Harris), who sits immediately in front of me, except to say that the hon. member for Danforth was about four years ahead of his time in the suggestions he made to the government about vegetable oils, and I claim that I was about three years ahead of my time in many of the suggestions I advanced with respect to the price of wheat and what our wheat policy should be.

May I refer briefly to the farmers' delegation which visited Ottawa in the early part of February last? They made a very reasonable presentation of their case, and their recommendations were undoubtedly fair. I have here a copy of their brief, but I shall refer to only a few paragraphs.

First they referred to farm income. They showed that during the period from 1926 to 1929 farm income in the three prairie provinces amounted to $530,000,000. Since that date and up to last year there was a very considerable reduction in farm income, and they estimated that with a reasonable return in 1942 there might be only $338,000,000 of farm income in the west. They also pointed out that owing to the importance of wheat to Saskatchewan that province had probably suffered most from the decrease in farm income, and to emphasize the importance of wheat to Saskatchewan they showed that while for the year ended July 31, 1941, there was a cash income from all farm products in the province of $180,000,000, seventy-one per cent of that amount, or $129,000,000, came from wheat. That emphasized the importance of wheat in relation to farm income in Saskatchewan.

They also pointed out in their brief, very fairly, I think, that this government dealt with war industry on a cost-plus basis and a fair return on the capital invested, and they considered that the farmer should be treated in somewhat the same manner. I think that is only a fair request.

Then they point out, what I believe also is reasonable, that too much emphasis is being placed on the fact that we have these carry-overs every year running between four and five hundred million bushels. Because too much emphasis is placed on that, I believe the pool was right in calling it to the attention of the government. Then the pool suggest a one dollar initial price, with a participation which would bring it to a parity, whatever that might be. I think they were reasonable in asking for that. They concluded by stating that if their recommendations were accepted by the government, as regards the segregating of the 1942 crop and the setting of a reasonable price, it would be unnecessary further to restrict the wheat acreage in the west, but that the farmer would govern himself accordingly and would have an opportunity of running his own affairs, so to speak.

Other organizations from western Canada have been making representations to the government, I have here the brief presented by the grain trade—the North-West Line elevators association. These gentlemen go a little further than the pool, because they ask for $1.02 net for the farmer. It was interesting to me to read that, because I recall how strongly, when they were down here in 1935, they opposed the Canada wheat board act as we were framing it then, and threw difficulties in the way of Mr. McFarland for two or three years while he was attempting to support the market; they had no regard for any policies of that kind. Yet now they are asking for $1.02 net to the farmer. It will be interesting to see whether the government will listen to them. I believe they have some friends in the cabinet.

Another very important document which I have here is the resolution introduced by the Saskatchewan government and passed by the legislature which is now in session, endorsing the representation which was made by the delegation of 430 who attended here in February. That, too, is interesting. It may be significant that the premier of Saskatchewan thought it necessary to fly to Ottawa and muster the Liberal members from that province. He did not see fit to call in any other western members of parliament, but he got together the Liberal members; apparently they had been kicking over the traces. He came down here and assisted the Minister of Agriculture; they went into caucus half a dozen times—I know there was a lot of movement around here—and they backed up their minister; at least they put a little intestinal fortitude into him. It would have been interesting had the minister recited to this house some of the discussions which took place with the wheat committee of the cabinet and the price control board. I understand that the minister threatened that if he did not get his way—and I am glad he is taking this attitude now—he might come across here and present the case from this side of the house. I do not know whether we would have agreed to take him in; however, knowing some of those from western Canada who were associated with him, and watching what has gone on in this house, I do not think we would have wished him to bring over to this side any of the other hon. gentlemen opposite.

I have here however a statement of the hon. gentleman in 1939, when, on May 5, speaking in this chamber in support of Bill No. 83, he quoted Professor Hope of Saskatchewan university to show that the farmer should get 95 cents net on the farm in order to meet the farm debt in western Canada and to carry on in a normal way. I see that now, two or three years later, he is coming around to that idea, but he does not go as far as he did when he suggested that it should be 95 cents net to the farmer.

I also have here statements made by the minister in October. There is a long report in the Regina *Leader-Post* of October 9 and October 14, wherein, speaking in western Canada, he assured the farmers that they were going to get a lot more for their wheat under the 1942 policy. But I am not going to read these statements, because he would challenge their accuracy; he would say that the press

had misunderstood him and put a wrong interpretation on the language he used—because that is what he usually does. But the statement is there.

When the delegation of 430 farmers came here in February they thought, from what the Minister of Agriculture said from time to time, they were going to get dollar wheat. They asked for a parity price; and that is what we want. I have here the Searle index, showing that, taking the year 1913-14 as the index year, 147 items stand at 151 and wheat stands at 58. Surely we will admit that there is something wrong there. We want the parity price; that is what the pool asked for.

If you will add all the bonuses which the farmers of western Canada received during the crop year 1941 to the price received for the 1941 crop—I have here the figures tabled by the minister in answer to certain questions which I put on the order paper—you will find that the government have paid out some $36,000,000 on three particular bonuses. A considerable amount is yet to be paid, however, on that income bonus which was to be disbursed in December. It was to be a Christmas present, but all of it is not yet paid. But, giving the minister credit for all that, there is no way that he can use mathematics to make the farmer of western Canada—who knows—believe that he has received a dollar a bushel for the 1941 crop. They are not all fools out there, by any means, and you have to use some different system of arithmetic to convince them that they have received that much. Especially is that so—and this is an important thing which has not been taken into consideration in the discussion—if you allow for the estimated loss which the farmer has to sustain on the lower seeded acreage. Six or seven million acres less was seeded to wheat last year. If you estimate that at ten bushels to the acre at fifty cents a bushel, there is a loss of $30 million. There is no allowance either for the extra summer-fallowing of this land; and as the minister, who is a farmer, knows, it costs considerable to summer-fallow.

The farmers will do their part, as they have done in the past, but they should be given a fair price and left to carry on their business according to their own arrangements and their individual methods of farming. Last year many farmers were paid to do things which they would have done in any event. I may just cite my own case. I had planned to summer-fallow so much, a lot more than I needed to do under the bonus system, but that is what I intended to do. And I know many other farmers who had planned to put their farming on a fifty-fifty basis and were paid for doing so under this system. I do not think they wanted that.

[Mr. Perley.]

I should like to ask the minister what further orders in council, if any, there are going to be to carry out this policy. The minister said yesterday that in connection with Bill No. 13 there would have to be a considerable number of orders in council. We should know what they are. The bill only makes two verbal changes—one is from "seventy" to "ninety", and the other adds the word "mills".

Mr. GARDINER: The statement I made yesterday was to the effect that in addition to the bill there were orders in council providing for such things as the setting of the floor for coarse grains.

Mr. MacKINNON (Edmonton West): Copies of those orders in council are being prepared and I believe they are ready by now. If not, they will be ready very shortly for distribution.

Mr. PERLEY: That is fine. We shall have them when the bills are in committee. I submit that when we are through with the bills this year that should be final, and the farmers should know exactly where they stand. Perhaps I may be asked why I say that. Well, I have here an order in council, P.C. 9201, dated November 27. This is interesting to eastern farmers. The final order in council with regulations with respect to bonus wheat acreage reduction was made some time in May—on the tenth, if I remember rightly. The farmers had to have their summer-fallow done by the first of August, if they were to follow the principles of proper husbandry. This order in council dated November 27 indicates that there were amendments to the orders in council of April 30 and May 10, deleting the definition of the term summer-fallow and giving a new definition to the effect that summer-fallow means the cultivation or management of fallow land in such a way as to conserve soil moisture or prevent soil drifting, or both. Now, on November 27 if a man could convince an inspector that he had allowed his farm to grow weeds in order to prevent soil drifting he was considered to have complied with the regulation with regard to summer-fallowing. That was not fair to the man who did his summer-fallowing in May, June or July and had it done on the first of August. If many farmers had known that this definition existed they would have altered their work considerably.

Mr. McNEVIN: Perhaps that was in an area where they could not properly summer-fallow. Perhaps it was drifting.

Mr. PERLEY: I maintain that if a good many farmers had known of the existence of this definition they would have altered their operations.

As to cost of administration, I will not go into that at the moment. It would take too long. The costs of administrating the bonus provisions are out of proportion and it only serves to set up a huge machine. May I refer the house to a return brought down for the hon. member for Weyburn (Mr. Douglas), No. 153A. I suggest that eastern members get this return and look it over. The Minister of Trade and Commerce made an interesting statement in which he set out the difficult circumstances that had to be coped with. He referred to a representation that had been made to him and the recommendations that had been taken into consideration, the result being this bill, No. 13, changing one word and adding another. He referred to the 400,000,000 bushels which would be the carry-over this year. That was the amount indicated, or thereabouts. He gave a fair statement, but there is a great deal that he did not tell us. There is a great deal of information that we shall require when this bill goes into committee, and I trust the minister at that time will be prepared to put all the facts before us.

The report I have in my hand, which was tabled a few days ago, is not up to date by any means; it goes up to the end of the crop year 1940. Reference is made to the liabilities in connection with agents, $145,000,000—that is, the grain exchange. I am referring, I may say, to the wheat board report tabled by the Minister of Trade and Commerce. It also refers to the carrying cost, the storage charges. This we wish to have in detail instead of as it stands, so that we may have a comprehensive idea of the whole situation.

The minister read a wire that had been sent to the grain exchange on the morning of the fifth, which practically froze the price as of March 5. I have the wire here but I will not read it into *Hansard*. In my opinion, that wire was the death knell of the exchange —or to put it another way, it was the death certificate. All that is needed now is the permit to bury, because in my opinion events will show that to be the case. We are told that the trades will be cleared on the basis of that closing, March 5. There will be no further trading in cash wheat or futures on any other basis. If there is not, why will the exchange members—if they are buying wheat—have to hedge it? The government guarantees to take it to July 31 on that basis and therefore there is no further need for hedging. The minister has practically closed the exchange by that wire and I certainly do not believe that there will be any further use for it.

I was going to refer to certain questions answered by the minister in a return tabled with respect to certain carrying charges, storage charges. I asked some questions with reference to McCabe Brothers of Port Arthur. I wanted to know, for instance, what rent they paid. The answer was, $67,900 last year. I asked how much storage the government had paid that company for storing grain there. The reply is that there is no information. Does the minister regard that as a reasonable answer to put in a return that is tabled? Does he not know how much storage they paid McCabe Brothers for grain stored in their elevator? If he does not, then I suggest he will have to find out.

Mr. MacKINNON (Edmonton West): I do not think that was the question asked.

Mr. PERLEY: The question was:

> What amount of storage fees were paid to the said McCabe Bros. Grain Company, Limited, for grain stored in the said elevator during the years 1939, 1940 and 1941, and by whom was this amount paid?

The answer was "No information". That answer is about as sensible as another I have with respect to the advisory committee of the wheat board. The minister says that the information with respect to the recommendations they have made should not be given in the public interest. What then is the use of the committee? The government should take the whole thing over. When the war broke out in 1939 representations were made by the British authorities to close the exchange, and three or four months after that the minister in Canada said that representations had been made to have it continue open. I claim that the system employed now by the British cereals import committee is such that the grain exchange has nothing to do with the selling of our wheat or with delivering it to Britain. I will ask the minister: Who represents us, or who is forwarding agent for the British cereals import committee in Montreal? Who represents the British ministry of shipping in Montreal? What part do these different men play in the export of our wheat? Who represents the cereals import committee in Canada?

I make this statement, that the wheat board at Winnipeg is working in a dual capacity and represents the cereals import committee. The minister if he likes can explain the working of it. I state further that the announcement made in this report—the minister boasts that they sold 120,000,000 bushels at one time, 100,000,000 again and 150,000,000 bushels—would indicate that the cereals import committee, buying wheat in that quantity, sufficient for eight months'

supply, or six months, do in effect set the price, so that the government here have nothing to do with it. The price they pay sets the price for the period. However, we shall get information in that regard.

I have here a question which I should like to have answered. How is the wheat board going to settle with the exchange? We should have some information on that point. It is suggested that it will be on the basis of the May and July close and the cash close of March 5. We want to know exactly where the board stands and why it is necessary to settle. Is the board short or long? We want to know the exact position and we cannot get it in a statement such as this. We shall have to get it when we go to the committee, and that is why I say that this bill, if any bill is held up, is the one that should be looked into very closely. I should like the minister to be prepared to give us a great deal of information when the time comes.

I recall, Mr. Speaker, that when we were discussing the wheat board bill in 1935 the present Minister of National Defence (Mr. Ralston), then sitting on this side, said he would not allow the bill to pass until Mr. McFarland and other gentlemen were brought here to give evidence. I say now we want the chairman of the wheat board, representatives of the grain exchange and of the clearing house, and others; we want to get all this information.

Someone may ask what I would do, and to settle that question I will say what I would do. I would close the exchange. I would confiscate the wheat now held by the open trade, not at any of these prices or any future prices but at the prices they paid for it. I would confiscate the coarse grains they hold, the oats they bought last fall at 20 cents a bushel and all the other coarse grains. Then I would set a parity price for wheat and I would pass an order in council providing that no one could deal in wheat at less than a dollar a bushel. I would go further; I would commandeer the best business brains of the grain exchange—and they have some there—for the duration of the war at least to assist in carrying out this policy. I would take over this grain and issue participation certificates to the farmers who sold to the open trade last fall. That could be figured out very easily; they have a clerical staff who could do that almost overnight.

My time is slipping along. I make the statement, Mr. Speaker, that the wheat pit at Winnipeg is a joke, serving no useful purpose in war time. I have here the report of Judge Turgeon, who conducted an inquiry into the grain trade, in which he states that even in peace time it is doubtful whether the exchange serves any useful purpose and suggests that the wheat board is the only way to carry on. Certainly the exchange serves no useful purpose in a time of emergency. When this matter comes before the committee I am going to read this report to the members who come from the east, and I think they will be greatly enlightened when they really learn about this open market in Winnipeg.

I come now to the price of 90 cents for wheat, and the prices for oats and barley. I think those prices are pretty fair; but if they do not represent a ceiling; if the open trade should advance these prices after July, where will Mr. Gordon, the price controllers and the Minister of Agriculture get off at their next meeting? That is something I will leave with the minister for his consideration.

Mr. GARDINER: I did not catch the question.

Mr. PERLEY: I have not time to repeat it; it is just too bad if the minister cannot listen. I think the brief presented by the pools was reasonable. I have stated some of their recommendations, and I might add that it gives me considerable satisfaction to see the government taking these steps. They opposed my resolution year after year, asking for a price of 90 cents; they opposed my motion in 1938 for a long-range price of a dollar a bushel over a ten-year period, though I showed how it could be done and quoted some figures which I have not time to repeat now. Yesterday the hon. member for Moose Jaw spoke on this matter—I was about to say "the minister" for Moose Jaw. You know, Mr. Speaker, in making up an imaginary cabinet members of the press gallery selected the hon. member for Moose Jaw as minister of agriculture; but after hearing him yesterday, and after listening to the Minister of Agriculture, I do not think his name would appear in another cabinet made up by those gentlemen. In 1938 I gave wheat prices back to 1890, and showed that the average price for the last thirty-six years, exclusive of war years, had been $1.03½, while for the fifteen-year period from 1920 to 1935 it was $1.15¾. I further advocated that we should place coarse grains under complete control of the board, and that we should have supervision of the exchange and reduced handling and carrying charges. I would go so far as to say that those carrying charges could be reduced to one-quarter of the present rates, and I believe the hon. member for Wood Mountain (Mr. Donnelly) will go at least half that distance with me.

I made those suggestions in 1938 and repeated them in 1940. I have before me a copy of a speech I made on November 18 of that year, suggesting a price of 90 cents. You will remember, Mr. Speaker, that on March 26 last the hon. member for Haldimand (Mr. Senn)—who I regret to say is critically ill to-day—moved, seconded by myself, the adjournment of this house to discuss this all-important question of agricultural policy. Speaking at that time I advocated increased prices, a processing tax of 50 cents, and storage on the farm. I am glad that this suggestion has been followed to a certain extent, and I hope that when the bill comes back from the committee that provision will be included this year, as it was last year.

Now, Mr. Speaker, I just want to say that if the Minister of Agriculture and the Minister of Trade and Commerce had been on the job a little earlier and had brought to bear that influence which apparently some of the western members have brought to bear, we could have done very much better, and could have followed the recommendations of the pools. When this bill goes to committee we are going to ask for certain information. The income of western agriculture should be maintained in balance with the national income, because the wheat economy of western Canada must be maintained. As I have already stated, I believe the ideal system of handling wheat is through a national wheat board with full control over all human food grains, either manufactured or unmanufactured. That would be going quite a long way, but I think it should be done. Then I would have a processing tax, even on coarse grains; for I venture to say that a processing tax of 10 cents on oats would not add very much to the cost of the little bit of rolled oats you get in your plate up here in the restaurant every morning.

These are all matters which should come before the committee at the proper time. I intend to try to secure certain information. I hope the minister will be frank and give us the information we require, even if it should require the attendance of witnesses.

Mr. T. F. DONNELLY (Wood Mountain): Mr. Speaker, I want to say a few words—

Mr. LACOMBE: Mr. Speaker, I rise to a point of order.

Mr. SPEAKER: The hon. member for Wood Mountain has the floor.

Mr. LACOMBE: I submit respectfully that I have risen in my place this afternoon three times in an attempt to get the floor, and I have an amendment to move.

Mr. SPEAKER: The hon. member for Wood Mountain has the floor now.

Mr. DONNELLY: It is not my intention to delay the house very long in connection with this question of wheat, because we will have ample opportunity to deal with the matter when these bills go to committee. Every hon. member from Saskatchewan is interested in the wheat question. We are interested in it for several reasons. First of all, Saskatchewan grows more wheat than any other province in Canada. The second reason is that the whole economy of Saskatchewan is built around wheat. We may, in fact we do, grow other things; we indulge in other forms of agriculture, but our chief agricultural product is wheat.

Let me illustrate what I mean by placing on record a few figures. In 1940 all farm produce of Saskatchewan was valued at $173,000,000, while the value of wheat alone was $132,000,000; in other words about 76 per cent of our agricultural activity was devoted to the production of wheat. In 1941 our total production of agricultural products was valued at $180,000,000, while that of wheat products alone stood at $128,000,000, or 71 per cent.

I would emphasize, too, that there are certain portions of Saskatchewan which can grow nothing but wheat, and there are other areas, such as park lands, where other farm products are grown. But on the great open plains, where most of the wheat is grown, there is no other activity, and there is no other crop we can grow except wheat. When we cannot grow wheat, we cannot grow anything at all. Because of that, those of us who are members of the house, and happen to live in that area are interested in wheat and in every angle of the question as it presents itself to us.

Since 1929 the wheat problem has worried the House of Commons. Every year we have looked forward to legislation of one kind or another. It has become a hardy annual. Every government has brought down legislation of some kind, but it has been only temporary, effective from year to year. That has been the procedure since 1929.

When the war began in 1939 we in western Canada, as wheat growers, thought that all our difficulties were solved. We thought, "We are through with them now. All the wheat growers' problems will be solved." But we soon found out that this war was not like the last one; it was absolutely different. There was no demand for our wheat. Instead of our wheat problem growing less and less, it has grown greater and greater. The export of wheat to the markets of the world grew smaller and smaller, and each year since the

war began we have seen our wheat piling up more and more, until at the present time we have a large surplus.

Canada has in sight now something like 480,000,000 bushels. We expect to have a carryover of about 400,000,000 bushels. But that is not all there is in the world to-day. We expect the carryover in the Argentine will be about 234 or 235 million bushels, in Australia about 162 million bushels, and in the United States 610 to 680 million bushels. These make in all about a billion and a half bushels of wheat which we expect to have at the end of this crop year.

In our best exporting years we never exported more than 800 or 900 million bushels, and in many years of late we have not exported more than 500 million bushels. In fact in the last few years it has been less than 500 million bushels. It will be seen at once that we have in sight now what may appear to be all the wheat we shall be able to export in the next three years—two years, anyway. That is the problem which we must face; it is the one which confronts the wheat growers at the present time.

Naturally we ask ourselves what would happen if the government were not supporting the price of wheat. If all this wheat were to be thrown on the world's markets, where would the price go? Why, it would likely be worse than it was in 1932, when John I. McFarland was handling the wheat problem for R. B. Bennett. That was the time when it went down to 38 cents Fort William, or 19 cents at the farm.

Mr. HANSON (York-Sunbury): That was before Mr. McFarland began, or when the grain exchange ceased to support the markets. That was the cause of it. The government had to come to the rescue.

Mr. DONNELLY: But Mr. McFarland was there, handling it at that time.

Mr. ROSS (Moose Jaw): That was before the Perley policy.

Mr. DONNELLY: They were not listening to him then. I ask the house this question: What would happen to our wheat if the government were to withdraw its support? In guaranteeing, as it has, the initial payment to the farmer of western Canada, the government has been doing useful and helpful work. It has cost a large amount of money. The minister told us the other day that the maintenance of the prices for the crops of 1938, 1939 and 1940 had cost $79,900,000. I suppose by this time, with the added interest, it will have reached $80,000,000. That was the cost for those three years.

In dealing with the wheat problem there are three questions we should ask ourselves, questions which are of grave importance. First of all it is essential that the man who has wheat should receive a price which will assure him a respectable living. The man who has a crop of wheat should have a price from the government or from someone which will assure him a reasonably decent living. There is no doubt about that.

The second point is this. The man who cultivates land and then through an act of Providence receives no return from it should be protected. Providence may step in, and it may develop that either through climatic conditions such as drought or hail, or through a plague of insects such as grasshoppers, sawflies or cut-worm, through no fault of his own the farmer may lose his crop. Those farmers should be looked after by the government, and in some way a living should be provided for them. It is not the farmer's fault that he has no crop. In my opinion he is more deserving of the sympathy of the government and the people generally than the man who has a crop who at least has something to show for his labour.

The third point to consider is this: What is the government going to do with the wheat when it is delivered? Where are they going to sell it? Where are they going to store it? How much will they pay for storage? These are matters which must be borne in mind when we are dealing with wheat.

Having in mind the three points I have enumerated, I should like to refer to what the government is doing for wheat growers in the present year and what it proposes to do in the year to come. First of all let us consider the year 1941-42. What has the government's legislation been? First the government has guaranteed an initial payment of 70 cents a bushel, with an additional participating certificate. This is the same provision as was made last year. I am not satisfied with that price; I was not satisfied with it last year. I said at that time that because the cost of living had increased between 10 and 15 per cent the price should be raised to the same extent, up to 78 cents, 80 cents, or somewhere in that neighbourhood. I said that we are entitled to that increase in price. I say it again. Labour is getting the increase; why should not the wheat grower receive the same consideration? If 70 cents was a right and proper price two years ago, then 70 cents is not a right and proper price to-day. That is one of the reasons for discontent in western Canada. The price is not quite high enough.

But there are other reasons for discontent, and they are far more important. One hardly ever hears it mentioned, but let me tell the house that in western Canada we have had

one of the worst crop failures in years. So far this year we have marketed only 165,000,000 bushels of wheat, and we expect our total marketings will not go beyond 200,000,000 bushels. Last year we marketed 455 million bushels. There is quite a difference. The reason for the discontent is the crop failure we had this year in western Canada.

There is another reason—the low grades. These are the things we should look into. In my district, for example, practically all the wheat is combined. A farmer will go out and start his combine to-day and haul his wheat into the elevator and get No. 1 northern for it. During the night rain falls and washes the wheat and when he next goes out he finds this Thatcher wheat has bleached. This is a rust-resistant high grade wheat, but it is apt to bleach. He finds that he can get only No. 2 northern for that. If there is another rainfall, when he goes out again he finds he will get only No. 3 northern or No. 4. I have received only No. 4 for wheat grown in the same field from which I took wheat that graded No. 1. Nothing had happened to the wheat except washing by rain. I have asked some technical men about this bleached wheat and they assure me that as far as milling or baking qualities are concerned, it is just as good as any other wheat. This man is a member of the grades standard board and he tells me that whenever it meets he has asked that this matter be considered, that this wheat should not be given such low grades. Because of the low grades of wheat this year the average price received by the farmers has been 49 cents Fort William, whereas a year ago it was 52 to 54 cents. The lower grades of wheat caused the lower average price.

That is one thing the government has done. In addition, the government has asked the farmers to market on a quota basis. This is one of the most helpful pieces of legislation we have, and there has been very little criticism of it from the farmer. They say it is too bad that they did not have it during the good years. They contend that it has taught them how to finance. Previously they hauled their wheat in the fall of the year, received their money, spent it, and then when the spring came around and it was necessary to seed they had to borrow money. They say they do not want to see this quota system done away with; they hope it will be continued.

The next thing the government did was to institute a system of bonuses. The first of these is the Prairie Farm Assistance Act which has been in operation for three years. This is one of the most popular pieces of legislation for the farmers of western Canada that this or any other government has placed on the statute book. Outside of the Liberal members, however, it has received scanty support. It has received nothing but adverse criticism from the majority of members of this house, apart from members of the Liberal party. The fact of the matter is that many members went home to the west when this legislation was put through and said that the government would never pay, that it was done only to fool the public, to get their votes. Then when the payment was made, they contended it was done just to fool the people, that no more payments would be made. When the last payment was made they contended that the farmers would never have got it if they had not come down here and raised such a storm and so forced the government to pay. I heard statements like that. I have received hundreds of letters praising this Prairie Farm Assistance Act and asking that it be kept on the statute book, that it be enlarged or extended. The farmers ask that it should not be done away with because it is the only thing they have to help them. Have hon. members ever stopped to think that even with the small crop last year and the low grades, there is no relief in western Canada? Why? It is because these bonuses have been paid and have been evenly distributed among our farmers so that they are able to get by.

There are two schools of thought in western Canada with regard to this wheat question, and I shall deal with them in a moment.

I come now to the wheat acreage reduction plan. The Prairie Farm Assistance Act will cost the government something in the neighbourhood of $15,000,000. Under the wheat acreage reduction plan the government pays $4 per acre for each acre taken out of wheat and put into summer-fallow, and $2 per acre for every acre put into coarse grains. That will cost the government between $25,000,000 and $35,000,000. I understand that $25,000,000 has been paid out.

Mr. GARDINER: A total of $27,000,000 has been paid out, and it should run to about $30,000,000.

Mr. DONNELLY: The only people who complain about this wheat acreage reduction plan are those who did not do what the government asked them to do. A lot of these people thought they knew better; they thought the price of wheat was going up and they put all their acreage into wheat. Because of the poor crop and the poor grades they suffered, when they received no wheat acreage reduction bonus they began to howl like stuck pigs. They are squealing because they think they should be getting something when they did not do what they were told to do. Those who went into coarse grains got the $2 per

acre as well as the higher price for coarse grains. By doing what the government told them to do, they were much better off; they were able to get by.

We come to the next, the prairie farm income plan to pay the farmer for his increased cost of living. It is expected that this will cost between $15,000,000 and $20,000,000—I understand it will cost about $16,000,000. If we take these three bonus plans together, $15,000,000 for the Prairie Farm Assistance Act, $30,000,000 for the wheat acreage plan and $15,000,000 to $20,000,000 for the prairie farm income plan, we have a total in the neighbourhood of $60,000,000. We expect to market 200 million bushels of wheat, and if we do it will mean that we have received about 30 cents per bushel by way of bonuses on an acreage basis. So it can be said that we are getting a dollar a bushel for our wheat. It is only a question of how it is to be paid, on an acreage or on a bushelage basis. This government is paying 70 cents on a bushelage basis and 30 cents on an acreage basis. I have a farmer in my constituency who farms about two and one-half sections of land and he told me that he received $9 per bushel for his wheat. He produced 300 bushels of wheat, and his wheat acreage reduction bonus, prairie farm assistance bonus and prairie farm income bonus amounted to $2,700. There are many farmers who received more than a dollar a bushel for their wheat; I can name hundreds of them. These are some of the things that the government has done this year for the wheat grower in western Canada.

I have spoken of what was done for the man who had wheat and what was done for the man who through climatic conditions had no wheat. I now come to the question of storage. We felt that we were not going to have enough storage, and so year by year we have been increasing our storage through the last few years. On January 1, 1939, our storage capacity was 422 million bushels; on January 1, 1940, it was 424 million bushels, and on January 1, 1941, 437 million bushels. Now, on January 1, 1942, we have a storage capacity of about 600 million bushels. Seeking to obtain this additional storage the government signed an agreement with the elevator companies that they would not decrease storage charges for two years. I am sorry that was ever done. I think it should not have been done. I think it was a mistake. I think that storage charges are too high, and they should be lowered. I shall deal with that more fully later. I wish to go on now to what is proposed for this year, because time is pressing.

The government proposes to take 280 million bushels of wheat this year, which is 50 million bushels more than the government proposed to take last year. How is it that the government expects to be able to take 50 million bushels more this year? First of all, as I have said, we have increased our storage capacity; we have more elevators. The second reason is that we are exporting more wheat. From August 1 to January 31, 1941-42, we exported 111 million bushels of wheat and flour; from August 1 to January 31, 1940-41, we exported 79 million bushels. The export for the whole world was 154 million bushels from August 1, 1941, to February 28, 1942. That is what we have done, and that is why the government is able to take more wheat this year.

We are also to have the quota system again this year. The next thing the government proposes is an initial price of 90 cents for wheat, instead of 70 cents, with participation certificates. That is an increase of 20 cents a bushel. It is a legitimate price, on which I believe the farmer ought to be able to make a living. I shall deal with that more fully later. We have the Prairie Farm Assistance Act again this year. We have also the wheat acreage reduction bonus, which will net the farmer $2 an acre for coarse grains, the same as last year, and cost the government about $15,000,000, and the Prairie Farm Assistance Act will cost another $15,000,000. That is worth another 10 cents a bushel to the farmer. So that the farmer is getting this year 90 cents a bushel as an initial payment and 10 cents by way of bonus, or altogether $1 a bushel, calculated in a different way. That is what is proposed with respect to wheat for this year.

In setting a price of 90 cents a bushel the government does not set a ceiling on the price of wheat. A ceiling has been or is likely to be set for flour and bread. I think that is one question that ought to be investigated. I remember that before this farm delegation came to Ottawa they held meetings throughout western Canada, and everywhere they went they pointed out that the price of bread was 7½ to 8 cents a loaf when wheat was selling at $2.50; that it was the same price when wheat was selling at $1.50 a bushel, and that it was still between 7½ and 8 cents with wheat at 70 cents a bushel. So they said there must be an Ethiopian in the wood-pile somewhere, and it is time we got him out. I think the whole question of the price of bread and flour as compared with the price of wheat should be investigated. The price control board and the wheat board ought to investigate this question together and decide what is a legitimate price for the milling of wheat and the baking of bread, and then a ceiling should be

put on bread and flour, the finished product, leaving the raw product, wheat, where it is at the present time.

I come now to another matter. There are two schools of thought in western Canada with regard to the wheat problem. One school of thought thinks that all the assistance that is given to the wheat growers of western Canada should be on an acreage basis. The other contends that all the assistance given to the wheat growers of western Canada should be on a bushelage basis. This delegation of four hundred that came to Ottawa were all of one mind, representing one school of thought. They said that the assistance should be all on a bushelage basis. We want dollar wheat, they said, knowing that that was a popular slogan. But I have received hundreds of letters from farmers in western Canada saying: If we are going to have dollar wheat, all right, but do not do away with the bonus. There are two schools of thought, as I say. Those who think that the assistance should be entirely on an acreage basis say that two-thirds of the wheat crop of 1940 was grown on about 22 million acres. The government has surveyed and tabulated all this information and knows how much each farmer has. These people say: If you are going to give the farmers who came to Ottawa one dollar a bushel, an increase of 30 cents a bushel from 70 cents, that amounts to $90,000,000 on 300 million bushels. And if you are going to give them $90,000,000, they say, the right and proper way is to give it at $4 an acre, for two-thirds of the 1940 wheat crop, to everyone, instead of as an increase of thirty cents a bushel on wheat. What is the good, they say, of an increased payment on wheat if you have no wheat? The kind of hailstorm we have in western Canada sweeps through a strip five miles wide and will go from ten to forty miles. The man in the centre of that area who is hailed out and so has no wheat will not get a cent, but the man on the outside edge who had rain and not hail will have a better crop than usual, perhaps twenty-five to thirty bushels to the acre. If you concede what the delegation wants you will allow thirty cents a bushel, which means that if a man has thirty bushels to the acre he gets $9; if forty, $12; but the man who has no crop will have to go to the prairie farm assistance people for a grant of no more than $2 or $2.50 an acre. They ask, is that just, is that equitable, is that fair? The man who has no crop may be just as good a farmer in just as good a district, but he is so unfortunate as to be hailed out. By distributing the money on a bushelage instead of an acreage basis you will be requiring the man without a crop to live on $2.50 an acre, whereas the man with the big crop will receive $8 or $10 or more per acre to help him along. Dollar wheat is a first-class thing for the man who has thirty to forty bushels an acre and thirty to forty thousand bushels of wheat, but what is the good of it to the man who has no wheat? And the man who has no wheat, or a poor crop, is as much—and more—a charge of the government as the man who has a good crop; he should be and must be looked after.

These are some of the problems we have to contend with, some of the things which I am continuously being written about and asked to support. The government, however, this year has taken the middle course. It has given some increase in the price of wheat, from 70 cents up to 90 cents, and it is also maintaining the wheat acreage reduction plan, which farmers can participate in, and the Prairie Farm Assistance Act for the benefit of those who have no crop. So that some of their assistance is given on an acreage basis and some on a bushelage basis; and as a compromise I am ready and willing to support that. But I am one of those who favour the acreage basis rather than the bushelage basis, and I am not alone in that view. The hon. member for Qu'Appelle quoted Professor Hope a while ago. I, too, will quote from what the professor said, in regard to this. I refer to a statement in the national farm radio forum, prairie regional broadcast, on Monday, January 12. Speaking at that time, the professor said:

> I feel that the additional money required to raise the western farm income to a reasonable basis will be better spent on additional acreage bonuses rather than by raising the price per bushel of wheat.

There are some who say, "We do not want charity; we want the price of wheat raised. We do not want these bonuses; they are charity." I may be dense, but I cannot see the difference. If the government is going to raise the price of wheat to ninety cents the money will come out of the treasury, and whether the farmer receives it as a bonus added to the price of wheat or in the form of a grant at so much per acre, it is all the same. If one is charity, so is the other.

I regretted the reference of the hon. member for Qu'Appelle (Mr. Perley) to what he called parity price. If you are going to speak of parity prices I would only point out this. If you take the price of labour in 1913-14 and compare it with what it is now, you find that labour received about 154 in 1938 where it got 100 in 1914. Without a doubt, agricultural

products, especially wheat, are away below the parity price as it was in 1913-14. But so is the return on capital. Make no mistake about that. You know just as well as I do the difference between the present time and the last war. The first loan, in 1915, for $100,000,000, bore five per cent interest; the next in 1916, another $100,000,000, was also at five per cent interest; in 1917, $139,000,000, five per cent interest. The first victory loan, $398,000,000, yielded five and a half per cent; so also did the loan of $660,000,000 in 1918. All the three loans in 1917 and 1918 were tax free. That term cannot be applied to the loans of 1915 and 1916 because at that time we did not have any income tax. The United States began it in 1914, three years before they went into the war, but ours was not put on until 1917.

Another point should be borne in mind in this connection. If we are going to establish this parity for the farmer, capital too will want to be put on a parity. They are wide awake and looking after their interests. What about the mortgages in western Canada? What did we pay at the time of the last war? Eight and nine per cent; in some cases ten per cent. Now the rate is cut to five and six per cent. Do you want to go back to eight, nine and ten per cent? I do not think so. What we should ask for is a reasonable price rather than a parity price. I draw that to the attention of the house because I believe it is important.

I come now to the question of storage. In July, 1940, the rate for wheat storage was one-thirtieth of a cent a day. At that time the Liberal members from western Canada met and discussed the question, and we sent in a presentation to the grain commission asking that the rate be reduced. As a result it was reduced to one forty-fifth of a cent per day. As confirmation of that statement I have in my hand a press report which went out on July 28, 1940, from the chief commissioner of the Board of Grain Commissioners for Canada. I refer to it because my statement on this matter has been disputed on the platform. The wheat pool has taken credit for this having been reduced. I quote from the press release of the board:

> The annual tariff meeting of the Board of Grain Commissioners was held at Winnipeg on July 9th, when the board received submissions from the Northwest Grain Dealers' Association, Terminal Association, Saskatchewan Pool Elevators, and the Manitoba Pool Elevators, and also advanced the submission of the Alberta Pool Elevators.

Listen to what he says:

> These submissions dealt with the maintenance of the current tariff rates.

The submissions dealt with the present rate which is one-thirtieth of a cent. He goes on:

> Submissions were also received from certain western members of parliament in favour of reducing tariffs in the national interest.

He does not say anything about receiving submissions from any other elevator companies or line companies, but as a result of these submissions made to the grain commission they did reduce the carrying charges or storage charges on wheat from one thirtieth to one forty-fifth of a cent. For that reason I maintain that we western members are entitled to a certain amount of credit for it. In my opinion the charge of one-thirtieth of a cent may have been all right when our elevators were quite full for one month in the year and then half full for three or four months and empty the rest of the year; but now that the elevators are filled to the roof twelve months of the year one forty-fifth of a cent is too much. I suggest that it is time our grain handling charges were overhauled. I think they should be reduced. They should be cut in half. I agree with the hon. member for Qu'Appelle.

Mr. SPEAKER: The hon. member has exceeded his time.

Some hon. MEMBERS: Go on.

Mr. DONNELLY: I shall be glad if I may be allowed to go on for a minute longer. I am just about through.

As I was saying, it was all right when the farmers were receiving $1.25 or $1.50 or $2 a bushel that the rate of one-thirtieth of a cent should be paid, but now the farmer is up against it. He is having a hard time, living under depressed conditions, and these are times when everyone should bear a certain portion of the load. Why should the farmer be asked to carry the whole load?

We know that it costs about ten cents a year to carry a bushel of grain in storage. There is storage and there are other charges which bring it up to about ten cents a bushel. The visible supply for the last year, 1940, has been as follows:

	Bushels
December 31	516,000,000
March 31	499,000,000
June 30	482,000,000
September 30	499,000,000
December 31	531,000,000

That gives an average visible grain supply of about 500,000,000 bushels throughout the year. If it costs ten cents a bushel that means $50,000,000 or let us say $40,000,000—that is only $10,000,000 less, and what is $10,000,000 between friends. The elevators have received that, but they have also received ten or fifteen

million dollars from handling this year's crop. Taking it in, cleaning it, loading it, diverting it, unloading and so on—all these involve charges, so that they are paid another ten or fifteen million dollars. There is no doubt therefore the elevators will be receiving in the neighbourhood of at least $50,000,000 for the handling of grain this year. On the other hand what does the farmer get? He gets less than fifty cents a bushel for 200,000,000 bushels. He will not receive $100,000,000; yet here is a man who does not do anything except handling the wheat and he is getting half as much as the farmer. These elevator charges, I repeat, should be cut in two, and the difference should be diverted to the farmer as an extra payment. I say that without hesitation. The time has come when that should be done.

The other day I picked up a financial paper and looked it over, and I found that a pool elevator with a capital of $18,000,000—$12,000,000 received from the farmers for elevator deduction and $6,000,000 for reserve—had declared a profit of $3,000,000—16 per cent. I want some of our financiers over there to tell me what they think of that. If that is not high finance, what is it?

An hon. MEMBER: Who gets it?

Mr. DONNELLY: I belong to the wheat pool and I have not received much of it yet. They do not pay any income tax or excess profit tax. How much did they take away from it in order to start an insurance company? They have some of my money. Can I get my capital back? You know I cannot. When I die my estate will get fifty cents on the dollar. That is what they are doing to-day. If these companies are able to make such profits other line companies can do the same and are doing the same, and therefore these charges should be cut to a reasonable amount. It is time this was done in view of the present condition of the farmers.

Mr. LIGUORI LACOMBE (Laval-Two Mountains): At the end of my remarks I will move an amendment to the motion of the minister. Every hand is needed on the farm, and the farmer plays an essential part in the war effort in the defence of Canada. Farmers and farm labourers and those persons employed in industries relating to agriculture should therefore not be called up for military training. Whether the farmer be engaged in the production of food, in the raising of live stock or in lumbering operations, he provides our fighting men with food, clothing and shelter. I urge that we exempt farmers from military training. If the government persists in calling for the performance of military training, we shall soon see the ruin of agriculture in Canada.

This house is now discussing agricultural problems. It is examining a measure which I condemned last year and which I still condemn to-day, considering the best interests of the country. To reduce agricultural production in these difficult times would be a national crime. At a time when wheat flour and bread sell at very high prices, the government introduces the most disastrous laws for Canada and its people. Where are we going, Mr. Speaker? While farmers and consumers are shamefully exploited by the flour trusts, the baking trusts, the trusts of foodstuffs so necessary for producing bacon hog, butter and cheese, this government goes so far as to ask this parliament, on the one hand, to reduce wheat acreage and, on the other, to grant financial assistance to wheat growers. How inconsistent and contradictory! On the one hand the government decreases agricultural production; on the other it wastes public moneys to help those who would produce. On the one hand it smothers wheat production; on the other it pays a ransom to producers. This is a most condemnable policy. My words are too weak to brand, as they should be branded, laws so ridiculous and so anti-Canadian as these. In a country where rationing is already being felt severely; where labourer and farmer for many years have been exploited by the trusts which have dominated the policy of the government and the history of Canada, it is amazing that a government should dare introduce such laws.

Does the government know what will be the agricultural production next year? Does it know that our agricultural production has decreased—

Mr. SPEAKER: Order. I realize that the hon. member is speaking in other than his native tongue, but I must apply the rule as to the reading of speeches.

Mr. LACOMBE: I am not reading my speech, Mr. Speaker; I am referring to my notes. Does the government know that to continue calling up for military training farmers and farmers' sons at this period of the year, and at any time, is to ignore completely the needs of agriculture, of the army, and the defence of Canada? Does it know that the yield of the sugar bush will be considerably less this year because of lack of help? Is it aware that this is very unfortunate, at this period when sugar is rationed? Is it aware that at present vegetable growing is in full swing in hothouses? Is it aware that the drafting of farmers and farmers' sons will bring upon this country the worst disasters?

I know hundreds of pitiful cases of exploitation of young farmers, owners of their farms who are alone, who have been called for military training in spite of their requests for exemption, in spite of representations made by their parish priests, by their mayors and by their members. What has happened? They have been compelled to sell, at a loss, their farms and their cattle, which were led to the abattoir. I will give one of the most disgusting cases. Mr. Roland Beaudoin, from Ste. Rose, owner of a poultry farm and of an orchard in which his old father had invested all his savings, was called for military training after a postponement of two months. For many months his two brothers have been in the army as volunteers. Their father is ill, and 70 years of age. How shameful! The employees of the registrar's office in Montreal gave Mr. Beaudoin a postponement of one month to allow him to sell his farm, his poultry and his orchard. He is now at the military training camp. A few months ago the registrar's office in Montreal was selling for $500 and $600 exemptions to Roumanians and citizens of other countries now at war with Canada.

This tragic farce has lasted too long. The hour is near when immanent justice will prevail. Once more I request that the government exempt from military service farmers and farmers' sons. Consequently I move, seconded by the hon. member for Gaspé (Mr. Roy):

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

"this house is of the opinion that the best ways of helping agriculture are

"(a) to exempt from military training farmers and farmers' sons who are indispensable to agricultural production;

"(b) to establish in every constituency in Canada exemption tribunals whose object would be to examine the merits of all requests which might be presented before such tribunals by farmers and farmers' sons."

Mr. MACKENZIE (Vancouver Centre): I rise to a point of order, Mr. Speaker. In the first place I submit that the amendment as moved does not come under the terms of paragraph 755 of Beauchesne, which sets forth such amendments as may be moved to second reading. In the second place I suggest that it is out of order under standing order 60 and standing order 61, paragraphs 551 and 562, because it imposes a contingent charge upon the people by establishing exemption tribunals.

Mr. SPEAKER: I am faced with another question in connection with this amendment by reason of the fact that the hon. member who has moved it has on the order paper, under notices of motion, a resolution in the following terms:

[Mr. Lacombe.]

Whereas agriculture is essential to the upkeep of the armies and the welfare of the civil population.

Therefore be it resolved: That, in the opinion of this house, farmers, farm employees and all persons engaged in industries connected with agriculture or with war industries, should be exempt from military service and that exemption tribunals should be set up in each constituency in the country to investigate each case on its merits.

The rule is clear that no member may anticipate a discussion which may come before the house at a later date. I would not insist upon the observance of that rule in this case, because of the fact that the house has already adopted a resolution giving precedence to government business, and for that reason the resolution of the hon. member might not be reached this session. He has, in a measure, discussed it on his amendment which is now before the house. I would suggest, however, that having discussed it now, his motion should be withdrawn from the order paper.

With regard to the amendment itself, I think the rule is perfectly clear. The recommendation of the crown required for the imposition of charges upon the taxpayer is compulsory on committee as well as on the house itself. There is no exception. The inclusion in a bill of a provision authorizing the payment of public money is nothing but a statutory appropriation which can be made only upon the crown's recommendation and in committee of the whole house, under the provision of section 54 of the British North America Act.

It is hardly necessary to quote any authorities in support of such a clear declaration of the constitution of Canada. The principle therein set forth is one of the fundamental tenets of British parliamentary law, and it is observed in the United Kingdom as well as in all the dominion parliaments. Sir Erskine May's book entitled "Parliamentary Practice", 13th edition, says, at page 505:

If any motion, or bill, or proceeding is offered to be moved, whether in the house or in a committee, which requires but fails to receive the recommendation of the crown, it is the duty of the chair to announce that no question can be proposed upon the motion, or to direct the withdrawal of the bill.

Paragraph (b) of the hon. member's amendment asks for the establishment in every constituency in Canada of exemption tribunals, whose object would be to examine particularly all requests which might be presented before such tribunals by farmers' sons. It therefore falls under the rule I have stated, and I rule the amendment out of order.

Mr. LACOMBE: I regret that I have to appeal from your decision.

Mr. SPEAKER: The appeal must be supported by at least five members.

Mr. MACKENZIE (Vancouver Centre): Not sufficient members.

Mr. T. C. DOUGLAS (Weyburn): Mr. Speaker, I am sure there will be widespread disappointment throughout western Canada as a result of the policy announced by the government yesterday for the disposal of the 1942-43 wheat crop. The people of western Canada had reason to feel in the past few months that a new deal was about to come into existence for agriculture. The visit of the farm delegation to Ottawa, the excellent press notices the delegation had and the sympathetic reception they received from cabinet council all gave the people of western Canada reason to feel that probably we were on the verge of a new deal for that part of the country. I am afraid there will be a feeling now that instead of a new deal we have received a dirty deal.

When I say that, of course I am not unmindful of the commendable features of the legislation. For some months back, hon. members on this side of the house, particularly the hon. member for Melfort (Mr. Wright) have been asking the government to put a floor under coarse grains, realizing that if we were to attempt to encourage the farmer to leave wheat production and go into the production of coarse grains, we could do so only by putting a floor under them. That is one of the commendable features of the legislation brought down yesterday.

But my main objection to the legislation is that the government is following its old policy of beating a sort of strategic retreat, like an army which holds a position until it is no longer tenable, and then when it is almost surrounded, makes a retreat to the next position it believes it can hold. It clings to that position as long as possible, and then makes another retreat. We have had that procedure now for five or six years—a series of strategic retreats rather than brilliant offensives.

An hon. MEMBER: A retreat forward.

Mr. DOUGLAS (Weyburn): It may be a retreat forward, but it has required a great deal of pressure to get any movement at all. I ask the house to take a glimpse at what has happened. In 1935, after long years of clamouring for it, the farmers were given a wheat board, a payment of 87½ cents a bushel, and participation certificates. In 1936 this government was in office; the 87½ cents was cut to 80 cents, and a new personnel was appointed to the wheat board. In 1937 an order in council was passed stating that farmers could not deliver their wheat to the wheat board, even if they wanted to, as long as the market price of wheat was above 90 cents. The same situation obtained in 1938.

Then in 1939 two bills were brought down, and we thought again we were getting some general improvement for agriculture. The first of those two bills was the Prairie Farm Assistance Act. At this point let me say just a word about that legislation. The hon. member for Wood Mountain (Mr. Donnelly) has taken to himself, and the party with which he is associated, the credit for supporting that piece of legislation. He intimated that nobody else wanted it, and that no one else was in favour of it. That suggestion of course is absolutely inaccurate. For a great many years before it was brought down, not only members of the group with which I am associated, but I should think members of almost all groups in the house were asking for some type of crop insurance. As a matter of fact, the previous year a resolution had been passed unanimously by the house endorsing the principle of crop insurance for farmers. Therefore, when the Prairie Farm Assistance Act was introduced it was acceptable to all parts of the house. But it was brought down in conjunction with legislation which was to provide an advance or cash payment of 60 cents a bushel. Those hon. members who were in the house at the time will remember the long struggle which took place not only here in the house but in western Canada. The result was that the minister withdrew the bill, substituting for it a new one raising the initial price to 70 cents. It will be recalled that again in 1940 we received an initial price of 70 cents.

By that time the war was upon us, and there was a feeling that the price ought to be higher, and that wheat had become a more valuable commodity. I would remind the house, for instance, of the speech made with respect to the price of wheat by the Minister of Agriculture (Mr. Gardiner) during the election of 1940. I quote from the Regina *Leader Post* of March 12, 1940, an article headed "Gardiner talks wheat, correcting Manion mistakes". It reads as follows:

> Wheat could all be sold to Britain to-morrow at not less than 87 cents a bushel. If it were, the farmer could now obtain at least ten cents a bushel on his participation certificates.
>
> But the present government does not think it wise to sell all the Canadian wheat at 87 cents a bushel. The British government is not urging us to do so. If they bought it they would leave it right where it is in the elevators in Canada and pay the storage on it. While it would thus remain where it is it would be entirely out of the hands of the farmers. We believe that Britain will pay us more for our wheat when she is ready to take it.

Mr. GARDINER: Eighty-seven cents was the price of wheat on that day.

Mr. DOUGLAS (Weyburn): That does not alter what the minister said. I quote again from his speech the following in quotation marks:

"That wheat could all be sold to Britain to-morrow at not less than 87 cents a bushel. If it were, the farmer could now obtain at least 10 cents a bushel on his participation certificates. This would make his payment more than the 80 cents which was being discussed last summer.

"But the present government does not think it wise to sell all the Canadian wheat at 87 cents a bushel. The British government is not urging us to do so. If they bought it, they would leave it right where it is in the elevators in Canada and pay the storage on it. While it would thus remain where it is, it would be entirely out of the hands of the farmers.

"We believe that Britain will pay us more for our wheat when she is ready to take it for consumption in England and that the farmers would be well advised to allow the storage to be charged up to their participation certificates.

"In other words, we think we will get a better price for the wheat when Britain wants to take it, rather than by trying to force them to take it by making it a condition of anything we may do in the war."

That was the situation in 1940.

Mr. GARDINER: Before France fell.

Mr. DOUGLAS (Weyburn): Yes; that was before France fell. Then came 1941. Last year, in addition to the Prairie Farm Assistance Act legislation an acreage reduction programme was introduced. Again the hon. member for Wood Mountain tries to create the impression that there was a quarrel between those who wanted to give a bonus and those who wanted to increase the price of wheat. Nobody knows better than the hon. member for Wood Mountain that that is not correct. The wheat acreage reduction bonus was brought in, not in relation to the price of wheat, not as a subsidy to the price of wheat, but to encourage and persuade the farmer to leave the production of wheat and go into the production of coarse grains or to summerfallow for the conservation of the soil. That is how the situation stood up until last fall.

On October 18 the Prime Minister (Mr. Mackenzie King) announced in a national broadcast that a price ceiling would be established which would have as its basis the prices in existence during the period September 15 to October 11. As I said in this house last fall, we in this group have never objected to the principle of control, especially in war time when such control is absolutely essential if we are to prevent the devastating spiral of inflation. But what we did ask was that any ceiling which might be established should be on an equitable price level and not on a price level whose basis was a twenty-seven-day period taken at random, during which period agricultural prices were lower than the general price level.

Mr. HANSON (York-Sunbury): Very low.

Mr. DOUGLAS (Weyburn): Yes. A lot of statistics have been given in this debate and I do not want to follow that practice, but there are one or two which I think are necessary. Taking 1926 as being equal to 100, industrial wages during the last period for which we have any figures, 1940—the 1941 figures are not available—reached an index figure of 109·6. On the other hand, taking 1926 farm costs at 120—we do not have a 100 basis for that—farm costs on October last stood at 116, four points lower. On the other hand, taking the prices of all farm products in 1926 as 100, they had dropped to 74 last October. The picture is even worse when you realize that this 74 is an average. The index for field products stood at 57, while the index for animal products stood at 101. Seventy-five per cent of the income of western Canada comes from field rather than animal products, so the index of 74 would be much lower if it is to be balanced between the two. The price-ceiling period which has been accepted was a period of depressed prices for agriculture. Any attempt to use that as a standard basis as far as the western agricultural economy is concerned would be to fasten peasantry on the prairie farmer from now until the end of the war, and probably after the war.

I am sure most hon. members have looked at the comparison between agricultural prices in the 1926-29 period and the base period in 1941. I give these figures to the house merely so that they will be a matter of record. They are as follows:

	Base period	1926-29
Wheat	$ .77⅜	$1.41
2 C.W. oats	.50⅞	.60
2 C.W. barley	.62¼	.73
2 C.W. rye	.64⅛	1.00
1 C.W. flax	1.61½	2.07

I think these figures show the situation which has faced agriculture, not only since the war but prior to the outbreak of the war. Saskatchewan is probably more dependent upon income from wheat and field products than the other two prairie provinces, and as a result of this situation there has been a spontaneous uprising of all sections of the population which have insisted that something should be done to square the deal being given to agriculture with the deal being given to the rest of our national economy. Those who try to infer, as has been inferred

this afternoon, that this was some chicanery on the part of any group of individuals are quite beside the point. Any hon. member who listened to the delegation here in Ottawa knows that it represented all classes and all shades of politics, that it transcended any religious group or any national or racial bonds. It was a response to a definite economic situation that had become so desperate that all classes of the population recognized that unless something was done, western economy was doomed to become nothing but a great depressed area in the heart of Canada.

Mass meetings were held last fall all over western Canada and I need hardly remind hon. members what was asked for. This will be found in the annual report of the wheat pool on page 27. They asked for an initial payment of $1 a bushel; they asked that stocks of wheat represented by the carryover should be taken off the market and held as a national emergency war reserve; they asked that from August 1, 1941, all sales of wheat should be credited to the crop year 1941-42, and they asked that the crop year 1941-42 should be declared an emergency year under the Prairie Farm Assistance Act irrespective of the market prices prevailing. It is old history that the first three things asked for did not materialize, while the fourth did.

As a result of these meetings and as a result of their failure to get any adequate response to their representations from the government, a delegation came to Ottawa. Some quotations have been given already from the brief which was submitted and I do not think it is necessary to quote it extensively. I should like, however, to remind the house of the general principles that were contained in that brief. First, and by all means the most important, was the request of the government to accept the principle of parity prices. That was far more important than anything else in the brief. Because one dollar stood out as an easy figure for people to trip on their tongues, they were in the habit of saying that this delegation was down here asking for dollar wheat. That was not the main representation. The main representation was that a parity price should be established for agricultural products. I should like to quote from page five as follows:

> With respect to the petition itself, the first section recommends that the government should recognize and accept the principle of parity prices for all agricultural commodities. This recommendation may have been discussed by the government with the Canadian federation of agriculture and it may not now be necessary to elaborate the proposal here. We fully realize the difficulties involved in establishing an adequate base for parity prices and also that changing conditions in our agricultural production make it difficult to establish actual parity. We also appreciate that on the generally accepted basis of 1926-29 price levels, there are certain agricultural commodities now at parity.

They continue with this statement:

> The delegation would strongly recommend that no price ceilings should be established on farm commodities below parity levels, using the word parity in the sense that a parity price for farm commodities would be the price which these commodities would need to realize in order to purchase as large a quantity of other commodities now available as it actually did during a specified base period.

That was first and by all means the most important part of their representations, that the ceilings to be established ought to be established, not on the basis of the price during a period of 27 days last fall but on the basis of a parity figure to be worked out by the government's statisticians.

The second thing they asked was that in the meantime the wheat board should pay—not a price—but an initial payment of $1 a bushel for No. 1 northern, basis Fort William. I do not propose to get into a lengthy argument as to what the price of wheat has actually been. The hon. member for Wood Mountain goes through some ingenious arithmetic which hon. gentlemen opposite indulge in from time to time to show that we shall sell this year less than 200 million bushels of wheat; that we are getting $60,000,000 in bonuses, which is 30 cents a bushel, and that if you add that 30 cents a bushel to the 70 cents a bushel for wheat, you get $1 a bushel. Of course, if instead of 200 million bushels, you got it down to only 20 million bushels of wheat this year, by his figuring the farmer would be getting $3.50 a bushel; or if we had had an average crop this year of around 300 million bushels of wheat, then, with the bonus added, the farmer would have been getting around 63 cents a bushel. The thing to which I object—and nobody knows this better than the hon. member who was making the specious argument—is this constant attempt to confuse the public between the price paid for wheat and the amount paid in bonuses. It is not doing any service to the west to attempt this confusion. As I have said repeatedly in this house, the amount paid in bonus has no relation to the price paid for the wheat. A man has two patches of land, we will say, and on the one patch he grows wheat. The price he gets for the wheat compensates him for growing the wheat, a distinct national service that he is performing. His other patch of land he summer-fallows or sows to coarse grains, in response to the request of the government that he reduce his wheat acreage. The bonus is paid on this part of his land, and you cannot add

that bonus to the price he got for the wheat he grew on the other piece of land. They are two distinct pieces of land.

Mr. GARDINER: But he would have grown wheat on that other patch if he had not been paid the bonus.

Mr. DOUGLAS (Weyburn): Certainly, but they are two distinct pieces of land, and you cannot divide his income by the total number of bushels of wheat he grows and say that that is the price he got for his wheat.

Mr. GARDINER: But the policy said that he could not sell any more wheat even if he grew it. A maximum of 230 million bushels was set.

Mr. DOUGLAS (Weyburn): You cannot take two separate business transactions of that sort and put them together and say that that was the price he got for his wheat. The bonus is for summer-fallowing or growing coarse grains and to compensate the farmer for going out of wheat production.

Mr. GARDINER: The farmer understands it very well.

Mr. DOUGLAS (Weyburn): Of course he does, but he is being confused in this house, and the people of eastern Canada are getting the impression that the western farmer is already getting $1 a bushel for wheat—a bonus of 30 cents and a price of 70 cents. He is getting nothing of the sort.

The other representation made by the delegation, on page 8 of the brief, was that the government should take the surplus wheat off the market and set it aside as a national emergency measure to meet whatever contingencies may arise after the war; and second, to apply all sales of wheat made in the crop year of 1942-43 against that crop, so that if there is any further return coming, it will go back to the farmer.

The last thing they asked was that the government should remove the price limitation which restricts them in declaring an emergency year, and that is being done by the measure now brought before the house. They also request that the compensation provided under the Prairie Farm Assistance Act should be increased. I refer hon. members to page 8 of the delegation's memorandum, where they say:

> As has already been indicated, the delegation desires to record its appreciation of the Prairie Farm Assistance Act and would urge that certain amendments should be made which would make it even more valuable than at present. In connection with the emergency year section of this act it is recommended that provision be made that an emergency year may be declared, irrespective of the market price of wheat during the three fall months. As at present constituted, the crop failure section of the act provides for certain payments to farmers when 171 townships in the province of Saskatchewan have produced an average yield of five bushels per acre or less. We would strongly urge that the compensation provided at this time is not adequate to meet present day conditions and that provision should be made to increase the present amount of this payment.

I read that because of the statement which was made this afternoon by the hon. member for Wood Mountain. He said that there were two schools of thought, one that said the government ought to assist the farmer by an acreage bonus, and another school that said the assistance ought to be on a bushelage basis. The hon. member said that the delegation who came here were interested only in the bushelage basis, that they wanted a higher price for their wheat, and he said: "That is all right, but it does not help the man who has not any wheat". No one will disagree with that statement. But, on the contrary, the delegation did not advocate raising the price of wheat at the expense of the man who had no wheat. They asked the government not only to retain the benefits of the Prairie Farm Assistance Act but to widen its scope, and said they looked forward to the day when it would be possible to extend its scope so that it would become a self-sustaining crop insurance scheme. It is not fair for members to play one group of farmers off against another and say: "These farmers want a higher price for their wheat, and to take it out of you chaps who have no wheat."

The brief in its recommendations endorses this legislation. I do not think anybody in the west would want to do away with the Prairie Farm Assistance Act. They might want to improve and expand it, but certainly not to do away with it. It has decidedly a place in our western economy, but it cannot be used as an excuse for not giving to the wheat producer the price which is necessary in order that he may continue to produce and maintain a decent standard of living.

I want to say just this as I close, that the disappointment which will be felt at the legislation brought down yesterday will be chiefly because it fails in the main to comply in full with any of the recommendations of the delegation that came to Ottawa. It complies with some, in part, as I have indicated, but it does not comply in full with the requests that were made. The main and most serious omission in the legislation is its failure to institute the principle of parity prices. The ceiling prices apparently are to continue, but no statement has been made as to whether or not we are to have a ceiling price for wheat. The hon. member for Moose Jaw

(Mr. Ross) said yesterday that there was no ceiling price on wheat, but that is not as I read the statement of the Minister of Trade and Commerce (Mr. MacKinnon), as reported at page 1123 of *Hansard* of March 9, where he says:

> The wartime prices and trade board, in the discharge of its responsibilities under the maximum prices regulations and the wartime prices and trade regulations, will have the duty of determining the price at which wheat will be sold to domestic buyers in accordance with these principles.
>
> The wartime prices and trade board will discharge this duty from time to time after consultation with the Canadian wheat board.

Mr. ROSS (Moose Jaw): That does not put a ceiling on wheat.

Mr. DOUGLAS (Weyburn): Well, there is going to be some arrangement. We should know before we go into committee or before the committee on agriculture, is there going to be a ceiling or is it going to be a pegged price? Is the 90 cents a bushel payment to be both the maximum and the minimum, or will the price be allowed to fluctuate above the 90 cents without a ceiling, or will there be a ceiling? We should know the same thing about coarse grains. There is to be a minimum price for coarse grains, but already a ceiling is in existence: for instance, oats, 51 cents; barley, 64⅝ cents. Will those ceilings continue? Will prices not be allowed to go above those ceilings? Because, if those ceilings are to continue, it means that oats is to have a ceiling price 9 cents below parity; barley, 9 cents below; rye 35 cents below; wheat, 51 cents below; flax being the only grain which will be above parity, and that, of course, for a very specific reason, namely that we are now badly in need of vegetable oil.

My quarrel is not so much that the initial payment under this bill is lower than we had reason to expect. The main quarrel with it is that there has been no attempt at all to raise the ceiling prices to parity, or to raise the minimum prices as a floor to prevent the price of these commodities from going too low.

Mr. GARDINER: When the hon. member says that, he is speaking of grain only?

Mr. DOUGLAS (Weyburn): Yes; I am only speaking of grain.

The second thing in the legislation which, of course, will cause disappointment is the failure of the government to have granted a larger initial payment. The feeling all over western Canada was that surely the time had come for some courageous steps to be taken in this matter. I notice that the hon. member for Wood Mountain said that after all, whether it comes as a bonus or as a price, the treasury is going to pay it. Let us look at that statement for a moment. In the first place, for the wheat consumed in Canada there is no reason for the treasury to pay it. We have cheap wheat in this country. The milling industry and the baking industry can afford to pay a price for wheat which is on a parity basis. They have paid it before. Back in the fall of 1938 the price of wheat went over $1.40, and there was no complaint. They can afford to pay a reasonable price for wheat to be milled in Canada. Second, the only other place where we sell wheat is the United Kingdom. As to the wheat we are giving to the United Kingdom—because it will probably come within the gift of $1,000 million worth of products which we shall be making to Great Britain—I think western Canada is justified when it says that if we are going to make a gift to Great Britain of so many million bushels of wheat, that is a gift which ought to be paid for by all the people rather than by the small section who grow it. That is why it would not have been unreasonable to expect the government to have paid a dollar as this initial price.

Another thing is that no step has been taken yet, and there is no indication that a step will be taken, to remove the surplus from the market and save it as an emergency. There should be an emergency reserve. It has been said over and over again that when this war is over, food will be a weapon to reestablish peace; it will be an implement of reconstruction. All right; then Canada as a whole ought to pay for that weapon. We do not ask the people of Ontario, or the manufacturers, to make tanks for nothing as a weapon to win the war. Then there is no reason why we should ask the farmers to pay for a weapon to win the peace. If we are going to use wheat as a weapon to reconstruct the world, it ought to be paid for by the whole Canadian people rather than by the wheat producers of western Canada. We would welcome from the government some statement that the sales in this next crop year will be applied to that year's wheat, because if we do that, and if the wheat is sold for more than the initial price, instead of the extra money being eaten up in interest and storage charges there will be some chance of it going back to the producer, who certainly has a right to expect whatever remuneration is coming.

The only recommendation which has been complied with is the removal of the clause which makes it impossible to declare an emergency year when the price of wheat is above 80 cents a bushel. No steps have been taken to increase the benefits under the

Prairie Farm Assistance Act. On the contrary, the initial price of 90 cents will shut out those farmers whose average is eight to twelve bushels. This will exclude more than half of the farmers who benefited in the last two crop years.

From the point of view of western Canada this debate is probably one of the most important which will be held during the session, because the whole price control system, if it is effective at all, will fasten price levels upon the Canadian people not for this year alone but for the duration of the war. Therefore, whatever principle is adopted here within the next few days is the principle which will obtain until the war is over. If the principle which we accept is that of depressed prices for agriculture, we shall impose on western Canada from now to the end of the war a standard of living which will mean poverty and insecurity for our people.

I therefore move, Mr. Speaker, 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 be it resolved that the disregarding by this parliament of the modest representations made by western agriculture for a parity price for all agricultural products and an initial wheat payment of at least $1 per bushel for No. 1 northern basis Fort William is contrary to the peace, order and good government of Canada."

I want to say one other word before I sit down. I have listened in the few weeks we have been here to constant talking about national unity. I submit that national unity has not only a political but an economic basis; that you can only have a federation of people banded together provided they feel that they are getting equitable economic treatment; and if any section of our population, any group of producers, any particular occupation, any particular geographical location, has reason to feel that it is being discriminated against, that it is not getting fair treatment compared with other parts of the national economy, there you have national disunity, the type of national disunity which will split this country asunder.

I want to make an appeal to the government that they shall give consideration to establishing now, for the duration of the war, the principle of parity prices for agriculture—not only western agriculture, but eastern agriculture as well. Unless we do that, we shall face the possibility of dividing Canada into sections, one part prospering by virtue of government contracts and war industries, and another part becoming rapidly depopulated, lowering its standard of living, and in danger of becoming a great depressed area, from which the more aggressive members of society will be fleeing, and where we shall have people living who stay there only because they are too poor to move out. If we allow a condition like that to continue, we are asking to have black areas in Canada which will be hard not only upon the people who live in them but which will be to the everlasting disgrace of this country.

[Mr. Douglas (Weyburn).]

Mr. MACKENZIE (Vancouver Centre): With respect to this amendment, I raise the same point of order as I did before. Whereas the amendment is not contrary to citation 755 of Beauchesne, I definitely suggest to you, Mr. Speaker, that it should be carefully considered whether it is not an infringement of standing orders 60 and 61 and section 54 of the British North America Act, the marginal citations being 551 and 562.

Mr. SPEAKER: I shall consider the point of order during the dinner recess and rule upon it at eight o'clock.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. SPEAKER: Does any hon. member wish to speak to the point of order?

Mr. HANSON (York-Sunbury): I should like to say a few words in regard to it, having given some study to the matter during the dinner recess. The objection taken by the Minister of Pensions and National Health (Mr. Mackenzie) to the amendment moved by the hon. member for Weyburn (Mr. Douglas) is based upon section 54 of the British North America Act and standing order 60 of this house. It is, of course, elementary to say that it is not within the power of a private member to move a resolution which involves any increased burden upon the treasury or which changes the balance of the budgetary position of the nation; and if the amendment of the hon. member for Weyburn had that effect, it would clearly be out of order. But I submit that such is not the effect of the amendment. The amendment as phrased does not seek to impose any burden upon the public treasury. The adoption of the amendment would not result in the expenditure of one dollar of additional public funds. The whole purpose of the amendment is to suggest that the disregarding of the representations for a parity price and an initial payment of at least $1 a bushel for wheat is contrary to the peace, order and good government of Canada.

The amendment must be judged by the results which would flow from its adoption. If the adoption of the resolution would result in an increased charge on public funds, or would, in other words, result in the adoption of a parity price and a payment of $1 a bushel for wheat, then clearly it would be out of order under section 54 of the British North America Act and standing order 60. But I submit that if the amendment should be adopted, the result would not be the adoption of a parity price or the establishment of an initial payment of $1 a bushel for wheat. Therefore it does not fall within the section or the standing order to which reference has been made. True, the amendment is in effect an expression of no confidence in the government's wheat policy, but it does not seek directly to set up an alternative to that policy, certainly not an alternative which would require the expenditure of public funds. I therefore submit that it is in order.

Mr. COLDWELL: I should like to support what has been said by the leader of the opposition (Mr. Hanson). The point of view which he expressed with regard to the amendment is the one which we ourselves hold, with the additional consideration that under standing order 75, paragraph 755, we note:

It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a bill, to move as an amendment to the question a resolution declaratory of some principle adverse to, or differing from, the principles, policy, or provisions of the bill, or expressing opinions as to any circumstances connected with its introduction, or prosecution; or otherwise opposed to its progress; or seeking further information in relation to the bill by committees, commissioners, the production of papers or other evidence or the opinion of judges.

I do not know what will be Your Honour's ruling, and I do not know whether in that ruling you intend to discuss this paragraph; but if so, I would direct attention to "amendments" in Beauchesne's Parliamentary Rules and Forms at page 321, No. 93, which deals with the second reading of a bill. There we see:

The question being proposed "that Bill No. 133, the War-time Elections Act be now read a second time."

Sir Wilfrid Laurier moved in amendment thereto, seconded by Mr. Pugsley: "That this bill be not now read a second time but that it be resolved that the abridgement by this parliament of the electoral franchise now enjoyed in any province of the dominion by any class of his majesty's subjects would be contrary to the peace, order and good government of Canada."

As a matter of fact, that amendment dealt very largely with the provisions of the bill, for the abridgements contained in the bill were serious. They included the denial of the right to vote to conscientious objectors, to Mennonites, to Doukhobors, to naturalized aliens of enemy origin, to naturalized aliens whose language was that of an enemy country, excepting those who were serving in the army or the navy. So I contend, Mr. Speaker, that as far as the second part of the consideration goes, the point is quite clear under No. 93, which I have just read.

I would say further, however, that if you will look at the wording of the amendment, the governing noun is the word "disregarding" and all the words which follow it down to the words "Fort William" are words modifying that word. It does not involve the country or the government in the expenditure of any money. All it does is to complain that in the opinion of this house the government has disregarded a plea made by a large number of people. It is the disregarding of the plea that we are seeking to say something about in the amendment. Then in paragraph 558, under standing order 60, at page 165 of Beauchesne we find this:

Motions advocating public expenditure, or the imposition of a charge, if the motion be framed in sufficient abstract or general terms, can be entertained and agreed to by the house. Resolutions of this nature are permissible because, having no operative effect, no grant is made or burthen imposed by their adoption.

This very clearly explains standing order 60 and refers, probably better than anything else in Beauchesne's Parliamentary Rules and Forms, to the particular amendment now under discussion. We are not advocating a public expenditure, though if we were, and the motion were sufficiently abstract or general in its terms, it could be entertained and agreed to by the house. But clearly, Mr. Speaker, this amendment is permissible because, it having no operative effect, no grant is made or burthen imposed by its adoption. So I would suggest that in deciding this question you take these citations under consideration, and then I believe you will rule the amendment in order.

Mr. GARDINER: Mr. Speaker, before you give your ruling I should like to submit that the argument just advanced by the leader of the Cooperative Commonwealth Federation party (Mr. Coldwell) probably would be entirely sound if the resolution proposed were not in the form of an amendment, and had no relationship to anything being discussed by the house at the moment. But I submit that the amendment is being proposed for the purpose of having an expression of opinion by this house upon the question which is before the house, and for the purpose of amending it in such a way as to have an expression of opinion by the house which, if carried, would

result in the expenditure of money by the government of Canada. There are two phrases in the amendment which would bring about that result. The first it:

> . . . this bill be not now read a second time, but be it resolved that the disregarding by this parliament of the modest representations made by western agriculture for a parity price for all agricultural products . . .

It is well recognized that there is only one method by which parity prices have been provided, since the war started up to the present time, and that has been by the voting of money by the Dominion of Canada for the purpose of making possible higher payments to farmers throughout the country for their different farm products. There would be no parity prices for farm products in Canada to-day if it were not for the fact that the federal treasury has been drawn upon for payments of certain amounts, in addition to that which is being obtained from the British government for food products. Then the amendment goes on to say:

> . . . and an initial wheat payment of at least one dollar per bushel for No. 1 northern basis Fort William is contrary to the peace, order and good government of Canada.

I submit, if this amendment carried, relating as it does to the policy now before the house, the government would be compelled either to adopt the policy agreed to by the house or to resign. In other words, the statement made a few minutes ago to the effect that this is contrary to the policy of the government, and therefore would be a vote of want of confidence in the government, and its policy, would practically force that position. If that position were forced it would, of course, result in the expenditure of money by the treasury of Canada. That being so, I submit the amendment is not in order.

Mr. HANSELL: With respect to the suggestion that the amendment involves an outlay of money, I submit that that is a matter of interpretation only. One might also interpret the amendment as being one which might reduce expenditures. The Minister of Agriculture (Mr. Gardiner) in his argument is merely supposing that arriving at a parity price will cost money to the government. That does not necessarily follow.

My submission, therefore, is that the amendment cannot be out of order simply because an hon. member wishes to interpret it as one involving an expenditure of money. The amendment does not propose an increased expenditure of money. I therefore submit the amendment is in order.

Mr. SPEAKER: The question before the house is on the second reading of Bill No. 13.

to which an amendment has been moved by the hon. member for Weyburn (Mr. Douglas). The amendment is in these words:

> That all the words after "that" be struck out and the following substituted therefor:
>
> "this bill be not now read a second time, but be it resolved that the disregarding by this parliament of the modest representations made by western agriculture for a parity price for all agricultural products and an initial wheat payment of at least $1 per bushel for No. 1 northern basis Fort William is contrary to the peace, order and good government of Canada."

Citation 755 in Beauchesne's Parliamentary Rules and Forms reads as follows:

> It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a bill, to move as an amendment to the question a resolution declaratory of some principle adverse to, or differing from, the principles, policy, or provisions of the bill, or expressing opinions as to any circumstances connected with its introduction, or prosecution; or otherwise opposed to its progress; or seeking further information in relation to the bill by committees, commissioners, the production of papers or other evidence or the opinion of judges.

The Minister of Agriculture suggested that the amendment might involve the imposition of expenditures by the government, and that that would be contrary to the rules of the house. In his opinion this amendment did involve such expenditure, and would incur additional expenditures.

I would, however, draw the attention of hon. members to citation 558 in the same volume, which is as follows:

> Motions advocating public expenditure, or the imposition of a charge, if the motion be framed in sufficiently abstract or general terms, can be entertained, and agreed to by the house. Resolutions of this nature are permissible because, having no operative effect, no grant is made or burthen imposed by their adoption.

In giving my decision I have in mind citation 755, which I have already quoted, and the practice as stated in May, 13th edition, page 390, and in Bourinot at page 509.

It seems to me well established that the terms of the amendment conform to citation 755. If one reads the amendment he will find that the resolution within it is declaratory of some principle adverse to or differing from the principle, policy or provisions of the bill. There is a declaratory principle in the amendment, namely that the bill is contrary to the peace, order and good government of Canada, (section 91 of the British North America Act).

There is no request or attempt to bring about an increased expenditure, but there is objection to the principle of the bill before us. The amendment is adverse to the principle expressed in the bill, and it differs from pro-

visions of the bill on the basis of representations made known during the course of this debate by the western agricultural delegation.

It seems to me, therefore, it is clear that the amendment falls within the provisions contained in the rules I have quoted, and I therefore rule that the amendment is in order.

Mr. H. R. FLEMING (Humboldt): Mr. Speaker, no doubt the ruling which you have just given will open for discussion the amendment which has been moved, along with the other bills we have been discussing, and concerning which I wish to say a few words this evening.

Barely five months ago, when making a radio broadcast to the people of Canada the Prime Minister (Mr. Mackenzie King) said:

> Agricultural prices, with a few conspicuous exceptions, especially wheat, are higher to-day than they have been at any time during the past ten years. In cases where agricultural prices have not kept pace with increased costs of production, measures are being taken to bring about a more satisfactory relationship.

Some of those measures are now being put into effect by some of the legislation which has been brought down by the administration In my opinion, however, they are not nearly comprehensive enough. Western farmers are indeed pleased to know that the wheat board will handle all the wheat, and that in the event of any money being made in these transactions, from future wheat sales, the producer will get some share.

Western farmers will also be pleased to hear that the grain exchange will be virtually closed, something which is long overdue. It is admitted that the operation of the grain exchange, despite some possible value in its tendency toward price stabilization, in the last quarter of a century has cost western Canada many, many millions of dollars. As is well known, in some years the crop has been bought and sold forty or fifty times, and I need not tell the house to whose advantage.

There is encouragement, too, in the fact that these different bills brought down by the Minister of Agriculture (Mr. Gardiner), the bill in the name of the Minister of Trade and Commerce (Mr. MacKinnon) with respect to amendments to the Canadian Wheat Board Act, and the amendment moved this afternoon by the hon. member for Weyburn (Mr. Douglas) are now all being discussed together.

I find from the correspondence which I have had with many people throughout Saskatchewan, and in the more limited area of my constituency, that many are of the opinion that wheat comes under the jurisdiction of the Minister of Agriculture. I find that the Minister of Agriculture day in and day out is being blamed because wheat has not been given a better deal, or because a better deal has not been given to the wheat producer. No one knows better than those of us who come from Saskatchewan how hard he has worked and how difficult his task has been. He has had to face what the hon. member of Témiscouata (Mr. Pouliot) referred to a few days ago as the boy economists. These so-called economists could not tell a cow from a horse, or a field of wheat from a field of barley. He also must deal with the financial clique, certain elments which represent the eastern interests. These are within and without the government. Many people whom one hears discussing agricultural questions know just about as much. I often think that their knowledge is based upon the ancient history of what happened to the Selkirk settlers one hundred and twenty years ago when the grasshoppers ate the kilts off those men from Scotland.

It is most satisfactory to learn that there will be no ceiling on the price of wheat. That would have been a handicap to our whole western economy; it would have been a catastrophe. When I spoke in this house three years ago about governmental control of the price of wheat, I pointed out that when a price was set, the impression was created at home and abroad that that was the value we placed upon a bushel of wheat, and that would be what people in other parts of the world would consider it worth. It also gives an opportunity to those who are not sympathetic to our prairie farmers to accuse Canada of holding up the price to Great Britain in her hour of need if she should offer more for wheat than the present ceiling or the present set-up of price that we use. That is one of the dangers that beset us.

I am sharply opposed to this proposed price of 90 cents a bushel, Fort William, for western wheat. I have no hesitation in saying from my place in this House of Commons that the price should have been at least $1. Why all this niggardliness toward a great section of this Canadian nation? For the want of a dime, a ten cent piece, we are raising a question in the minds of the people of western Canada. Wheat has been a casualty long enough. Surely the time has come when we should take it out of the casualty list and place it in the front line so that it can go forward fighting for what we are all fighting for to-day—democracy. I appreciate fully the assistance that was given to the western farmers to help them in those days when it was difficult to find a sale for their products, when there were such large stocks of wheat for which markets could not be found. The measures now before the house do not go far enough to meet the situation that now prevails.

The present price of 70 cents a bushel, No. 1 northern, Fort William or Vancouver, gives the farmer a maximum gross return of approximately 50 cents a bushel at his shipping point. The proposed price of 90 cents a bushel will mean that the farmer will get approximately 70 cents a bushel at his shipping point. There can be no debate that with present costs, with general expenses and living expenses being what they are, a return of 50 cents a bushel, or even 70 cents a bushel is not enough, even if we have a bumper crop in Saskatchewan.

The *Monetary Times* of August, 1930, contained a survey of the cost of producing wheat, and it was shown that it cost 84½ cents to raise a bushel of western wheat. The United Farmers of Manitoba carried out an investigation in 1933, and even with all the paring that they could do they could not get the cost of production below 78 cents a bushel. Professor Hope of the university of Saskatchewan has been quoted in this house on many occasions, and we have had other opinions as to the actual cost of raising a bushel of wheat. All these figures compare favourably with the average United States cost of production.

Dollar wheat would give the prairie farmer 80 cents at his shipping point, and I submit that that is little enough for the sacrifices he has endured over a long period of time and the contribution he has made, not only to the economic structure of Canada but to the whole world. There is no wheat raised anywhere else in the world quite like the wheat that we raise on the western prairies. A loaf of bread produced from Canadian wheat will contain 3,000 cubic centimeters; a loaf produced from the same amount of Australian wheat will contain 2,180 cubic centimeters, and a loaf produced from English wheat, 1,830 cubic centimeters. A loaf of bread produced from Canadian wheat stands far above the bread produced from wheat raised in Germany, France or Italy.

The domestic economy of western Canada is based upon our wheat economy, and in the main this cannot be changed. The agricultural authorities are thoroughly familiar with the factors of soil, water and climate. The Minister of Agriculture, speaking in this house on his bill, proved to the members that we had this wheat triangle. Speaking before the Canadian chamber of commerce in convention in Regina in 1931, John W. Dafoe, editor of the Winnipeg *Free Press* and co-editor of the Sirois report, a man who for forty years has followed the difficult economy of western Canada and who knows the situation of the prairies perhaps better than any other living man because he has made a special study of all phases and angles, had this to say:

> Check over the situation any way you like and you will come back to this: that we have in western Canada at least 12 million acres that will have to be abandoned if not put to wheat raising, for which, under modern conditions of power farming and rapidly maturing kinds of wheat, they are highly suited.

There are about 290,000 farms in the prairie provinces. If we take an average of four persons to a farm, that means that 1,160,000 western Canadians are dependent upon farm income. In Saskatchewan whence I come, which can grow enough wheat in one year to feed all the people of Canada for five years, or all the people of Saskatchewan for fifty years, about 76 per cent of the farm income is from wheat, and that is one of the reasons why we who represent Saskatchewan constituencies—whether it be town or city makes no difference—are so much interested in the wheat economy of that province. Because of the low prices which have prevailed for the last number of years the farmers of western Canada have suffered. But low prices have been one handicap only. Those farmers have suffered crop failure after crop failure due to circumstances over which they had no control. They have suffered from rust; they have suffered from drought; they have suffered from grasshoppers and from frost, and because of all these things they find themselves in the position they are now in.

I believe, Mr. Speaker, that I know the situation in a great many of the rural areas of Saskatchewan as well as any other member. In the practice of my profession of medicine I have spent many years in the constituency of Humboldt, in its rural areas. I have met the people in their humble homes, and I know the hardships they have had to endure. They are a proud people. They did not want hand-outs from the government and they did not ask for them. They tried to keep body and soul together before any governmental assistance came to them in the days now past when we had our relief problems on those plains and prairies. The majority of our prairie farmers live in a most meagre way. They have no elaborate homes, no high-class furnishings. The hon. member for Rosthern (Mr. Tucker) the other night gave certain statistics in connection with the modernized homes that we have in the prairie provinces. The children of our farmers receive only a very limited education. Our people have gone through all the handicaps and the hardships I have mentioned and, now, what do they find? They see prosperity

coming to the great industrial areas of Ontario, and I cannot understand how any government can afford to be niggardly in dealing with the type of men and women who have given the best years of their life to carving from out that wilderness of western Canada homes for themselves and their children.

We see in our mind's eye to-night that humble father and mother sitting alone in their prairie home, trying to keep the old farm going, with all the difficulties that go with it—all that they owe on farm mortgage, high interest rates, low prices for their products, and all the other things which have befallen them as I mentioned a few moments ago. They may be thinking of their son, and, Mr. Speaker, this touches many in Saskatchewan. That son may be the boy you read about in the western Canadian newspapers, that boy from Saskatchewan who was shot down over Singapore or in the Libyan desert or in one of the commando raids on France or Norway or over the English channel. Should we treat these people in a different way from the people of other parts of Canada? By this wheat legislation we are proposing to jeopardize not only the future of western Canada but the ability of its people to help win this war—and all for what? All for the want of a ten-cent piece as an initial payment.

Mr. JOHNSTON (Bow River): Then you would be in favour of the amendment.

Mr. FLEMING: That is my business. I did not read it over. I asked the hon. member for Weyburn (Mr. Douglas) for a copy, and I did not get it. I cannot answer that question until I have read the amendment.

Mr. JOHNSTON (Bow River): It just asks for parity prices.

Mr. FLEMING: My hon. friend knows all about it, so after I hear him make his speech I may change my views. After all, I am not tied up as he is to some fantastic theories of money or something like that.

In the Atlantic charter it was pointed out that the great new order would provide freedom from fear and freedom from want in those countries which have been overrun by the enemy. Surely we can do little less than to start this great new order here in Canada by seeing to it that the people on the western plains shall become free from fear and free from want.

Wage and salaried workers in Canada are now given protection to meet the increased costs of living. The farmers who are able to engage in mixed farming practices are protected under governmental policy and receive adequate compensation for the production of live stock and dairy products. The sharply improved price of coarse grains arising from the government's policy of promoting the production of live stock and dairy products materially aids those who can successfully engage in this particular phase of farming activity.

But what about the wheat farmer, the farmer in that triangle which the Minister of Agriculture drew yesterday? In that broadcast which I mentioned in the opening part of my remarks the Prime Minister said:

> Agriculture itself is a national asset which must be preserved.

I ask you, Mr. Speaker, whether wheat farming is not a substantial part of Canada's agriculture. I ask you further, whether or not 90 cent wheat will preserve that part of our agriculture. It can be proved that 90-cent wheat is not adequate—absolutely not adequate.

Let me examine briefly the existing price set-up for our prairie wheat and compare it with prices of other grains.

A few months ago the Canadian wheat board, acting as administrator on behalf of the wartime prices and trade board, issued an order fixing the maximum price at which Ontario wheat might be sold in eastern Canada at $1.26 a bushel, basis delivered at Montreal. This was the highest price at which wheat was sold in the basic period between September 15 and October 11, 1941. Last January the Northwest Line elevators' association which, as is well known to those of us who come from the farming section of western Canada, is vitally interested in the welfare of a vast number of western farmers in that area, approached the wartime prices and trade board for an adjustment of western wheat prices. The association said:

> In view of the action already taken by your board in respect to Ontario wheat, and having regard to the superior milling value of western spring wheat, we feel that the ceiling price of wheat for all Canada should be not less than the price of $1.26 per bushel, basis No. 1 northern delivered Montreal. This would make the ceiling price at Fort William and Vancouver a minimum of approximately $1.15 per bushel.

I do not like that word "ceiling" in the submission of the association, but I like its appraisal of the problem being faced by the west and I like its energy in trying to get something done for our western agriculturists. It asked for wheat at $1.15 a bushel. The organized wheat growers asked only for $1 wheat as an initial payment.

We are not asking that this be based on the price of wheat and other essential farm commodities in 1913-14 or the years just prior to the outbreak of the first world war, although that is widely accepted as a fair basis. The

government of the United States has taken the price relationship existing between 1909 and 1914 as a proper base for stabilizing current farm income, and there is little difference between the 1909-1914 and the 1913-1914 bases. The Searle Grain company in its valuable index, which has been quoted many times in this chamber, shows that the 1913 price of No. 1 northern wheat, basis Fort William, was 87½ cents a bushel, and the cost of the essential commodities which the farmer has to buy has increased fifty per cent since that time. Therefore, to place the farmer in the same position comparatively as he enjoyed in 1913-14, the price should be increased fifty per cent. But the organized farmers of western Canada are asking only $1 a bushel as the initial payment for their wheat. I know some will raise objections to this. Some will say that to do so will increase our surpluses and that you should stop growing wheat; others will say that it is too expensive.

Let us explore briefly these two objections. Take the question of surpluses. We find on every hand that what we have is not surpluses, but scarcities. One of our great difficulties in the present war is that, so far from having surpluses, there has been a scarcity of every commodity, excepting wheat, which we have required to help win this war, and the only people who were prepared to face the issues of the world war in which we are engaged to-day were the prairie farmers of western Canada. We can certainly thank our lucky stars that we have these surpluses. It is only three years since, having carried a burdensome surplus of wheat for some years, we had to scrape our wheat bins clean, following the poor crops of 1936 and 1937. Recurrence of such a situation would be most serious. If we were now short of wheat, the government would go to any lengths—there would be no question of cost—to get the farmers of western Canada back into full production of wheat.

Surely it can be readily appreciated that food, and particularly wheat, is as important a war requirement as are munitions. Wheat can be stored for longer periods of time and at less expense than any other foodstuffs. The need for maintaining substantial reserves of wheat as an essential requirement of the war and the subsequent peace negotiations is certainly recognized.

Indeed, the need for food reserves is more than ever apparent, because increasingly large wheat and agricultural areas are being laid waste by war. Accepting wheat as necessary to winning the war, and necessary to win the peace, the government must be prepared to pay the farmer a reasonable price for producing wheat. It pays necessary prices—whatever the price the manufacturer wants—for munitions of war. Is wheat any less important for the winning of this war than those other essentials of which we speak in connection with our war activity? Surely I do not need to reiterate the urgency for the united nations to maintain ample reserves of food as an essential requirement of the war and the peace which will follow. In this connection the Right Hon. Winston Churchill, Prime Minister of Great Britain, speaking on August 20, 1940, said:

> We shall do our best to encourage the building up of reserves of food all over the world so that there will always be held before the eyes of the people of Europe, including the Germans, the certainty that the shattering of nazi power would bring to them all immediate food, freedom and peace.

The Prime Minister of Canada in his radio address which I have mentioned twice before, said:

> Wheat held in reserve constitutes an invaluable war asset.

Need we, then, be fearful that giving the western farmer dollar wheat would build up our stocks too much? Not in the least, even if we had a bumper crop on the prairies this coming season, and nobody believes that we shall have, because moisture conditions all over western Canada were never worse than this year, owing to the light snowfall this past winter. Western Canada may have a crop failure just as complete as that of 1937. But even if we should have 500 million bushels as a steady reserve, we would not be too prudent. With the armies of Germany and Russia steadily moving back and forth in those great areas of Russia which have been destroyed, areas which will not be able to go back into wheat production, the day may come when we shall suddenly be asked to feed our great ally, Russia, that has been of such immense assistance to us in this present struggle.

We do not need to worry about surpluses because the government is protecting itself against surpluses. The farmers will not grow a surplus of wheat because the government says that the restricted deliveries will be only 280 million bushels. It is impossible, of course, to estimate accurately what the crop will be in 1942. But in my opinion, and in the opinion of others who are interested in the grain trade, the figures which the minister gave yesterday were the outside figures. It is our opinion that dollar wheat would not in any way embarrass the wheat board, and the government has amply protected itself by putting in the clause providing for a delivery quota of 280 million bushels.

As to the price, let us suppose that the deliveries will be 280 million bushels. Let us suppose that the farmers do turn over that much wheat to the wheat board, and let us suppose further that all that wheat comes from the prairie provinces. Ten cents a bushel, providing for dollar wheat instead of ninety cent wheat, would cost approximately $28 million. We talk to-day in such large figures that they are absolutely unintelligible to the ordinary man on the street. I think the expression has been coined that they are "astronomical". They have become so large that one is unable to comprehend them. But we shall be spending in this fiscal year nearly $3,000 million. One can go into the argument of percentage, but it is useless, because by comparison the amount which would be taken out of the public treasury would be so small that it would be only the proverbial drop in the proverbial bucket compared with the great sums which we are expending in every direction.

There is one thing that we should keep in mind. While we are talking about what this war is going to cost, we are liable to lose the war if we lose sight of the importance of certain things—for instance, if we quarrel over a little sum of $28 million which would keep up the morale of western Canada. Would we not spend $28 million to keep up the morale of India? This dollar wheat has become almost a byword on the plains and prairies of the province that I represent in this house, and this money would not be frozen. It would immediately go back into circulation in the form of war savings stamps, war savings certificates, payments to merchants and doctors and scores of creditors whom the farmers have to pay. I have found in the farming community which I represent that nothing gives the people greater pleasure than to be able to take a little bit of money and go and pay off some of their old indebtedness. This $28 million that would be handed to the people of the prairie provinces would help them to do this, and the money would not all stay in Saskatchewan; it would find its way, as such money has always done in the past, to eastern Canada.

I am sure that the people in other parts of the dominion will sympathize with the submission that was made to the Prime Minister and his government by the Canadian Federation of Agriculture. So often we hear it said, "Oh, the people of Ontario or Quebec or the maritimes would not stand for it, or it could not be put through the House of Commons." I doubt very much that that represents the attitude of the people of those provinces, and I say that from my association with members from Ontario and from other parts of the country. I believe they are quite fair-minded and will look upon this situation in the same light as we do. The Canadian Federation of Agriculture is an organization representing the organized farmers from all parts of the dominion, and I quote the following from their submission:

> All of the member bodies of this federation from western Canada are on record to the effect that the basic price for the coming year should be not less than $1 per bushel, basis No. 1 northern at lakehead or seaboard terminals. We can assure the government that opinion in Manitoba and Alberta is equally strong, and that such a request has also the support of the agricultural interests in other parts of Canada represented by this federation.

The prairie farmers are not asking for anything that is beyond the reach of this government; they are not asking for anything that is going to ruin the federal treasury. They realize as well as anyone else that the government have a tough job and that our farmers and the rural population of the country are straining every effort to ensure victory and peace to the allied nations of the world. They are also committed to action which will help in every way. There is nothing they have not done to try to bring this about, including a change in the method of farming. To the best of their ability they have tried changing from wheat raising to the raising of pork products. Everything within their power they have done to help to win the war and to assist the government.

Let me ask you this, Mr. Speaker: Who can estimate the upsurge of feeling that would go all through the west as a result of news that there would be dollar wheat. Suppose such news went out from this parliament; can you imagine the psychological effect it would have on those poor downtrodden people who have suffered so much? It would act upon the blood of those farmers like a tonic. But 90-cent wheat! Why all this niggardliness?—because that is the only term I can think of. Now is the great opportunity for this government. The cost would be but little more than the new price, and there would be no danger of the accumulation of new surpluses. Moreover, judging from the figures of cost of wheat production, dollar wheat would be no more than is fair.

I hope this government will reconsider the matter. I hope they will give every consideration to the representations made by the great delegation that came here. It was not an ordinary delegation; it was not like so many delegations that come here and present cases to the government of Canada, setting forth the maximum amount that they would like to get, in the expectation of getting perhaps

half of that amount, in which event they are well pleased. This was a different delegation. It represented all phases of thought in Saskatchewan, all phases of activity—farmers, business men, professional men and merchants. These were reasonable men, and they took the attitude that since this country was in the throes of the greatest war known to history, they would not ask for anything that was unreasonable. They asked for the minimum amount, and I have every hope that, with that keen sense of appreciation which the Prime Minister has of our agricultural problems, with that persuasive ability that characterizes the Minister of Agriculture, these two men will be able to convince the other members of the federal government, who are opposed to giving a dollar as the initial payment to the farmers of western Canada, of the wisdom of such a step.

Mr. J. A. ROSS (Souris): Mr. Speaker, I shall be supporting the amendment which was moved this afternoon by the hon. member for Weyburn (Mr. Douglas). Had it not been moved I would have moved a similar amendment in speaking this evening. The idea embodied in that amendment is not new to this house. My colleague the hon. member for Lake Centre (Mr. Diefenbaker), speaking on April 8, 1941, said, as reported at page 2280 of *Hansard*:

I have risen to move an amendment based on the condition of agriculture. I think it will be agreed by all hon. members that in time of war the morale of this nation cannot be as it should be if agriculture is pauperized. Agriculture taken as a whole in Canada is in a lamentable condition, and it is an anomalous condition of affairs that Canada, a great producer of food, should, in a world which sooner or later will require foodstuffs, try to find means to bring about a reduction in the production of wheat. I move therefore, seconded by the hon. member for Peel:

That all the words after "that" in the motion be struck out, and that the following be substituted therefor:

It be resolved that the government should take immediate steps to create a parity of prices as between agricultural and other products in order to improve the condition of Canadian agriculture and in order that it may receive a just and fair return, and thus be enabled to make that contribution to Canada's war effort which is so desirable, and which our agricultural population so greatly desire to make.

An hon. MEMBER: How did they vote?

Mr. ROSS (Souris): I am not sure how several members to whom we listened yesterday and to-day voted at that time. They probably voted against it.

We have listened to other speakers agitating for a higher price, including the hon. member for Rosthern (Mr. Tucker), who was very much heated in his argument yesterday evening, and the hon. member for Moose Jaw (Mr. Ross). They inserted some provisos, however, as to the manner in which they were bound to the great Liberal party and why they must follow it at all costs to the country.

I am sure many people in western Canada will be very much disappointed with this bill, for several reasons. Not only will they be disappointed in regard to the price, but they expected that this policy would be announced earlier in the year. One month ago to-day, on February 10, in this very chamber I expressed the hope that the two ministers, the Minister of Trade and Commerce (Mr. MacKinnon) and the Minister of Agriculture (Mr. Gardiner) would soon announce the wheat policy for this year. I pointed out that in previous years a good deal of this policy had been carried out by order in council, and the Minister of Agriculture interrupted to say that this year we must wait until the speech from the throne was disposed of because it would be all covered by legislation. Despite that statement by the minister, however, we were told yesterday that some part of the policy still will be implemented by order in council. I was one of those who, a year ago, greatly criticized this practice of passing orders in council, and I think I was right in so doing. This afternoon, in regard to the wheat acreage reduction scheme, an order in council concerning summer-fallow, which was passed on November 27, 1941, was quoted. I need not read the entire preamble, but the order in council provides:

"Summer-fallow" means the cultivation or management of fallow land in such a way as to conserve soil moisture or to prevent soil drifting, or both.

That was passed on November 27, 1941, with relation to the management of the scheme during the previous summer. Another order in council was passed on November 21, 1941, on the recommendation of the Minister of Trade and Commerce, with respect to the handling of wheat. So I think we should realize how necessary it is that these policies should be introduced by means of legislation.

Yesterday I listened very attentively to the statement of the Minister of Trade and Commerce on the wheat situation, and the announcement of the 90-cent price for the 1942 crop. Then we had the statement by the Minister of Agriculture as to wheat acreage reduction, the demand for feed grain, animal products and other agricultural commodities for the war effort. I should like to compliment the minister upon his statement. I do not agree with everything he said, but he had

a big job to do and I think he is to be complimented upon the way he did it. Then, following those statements, we listened to the impassioned arguments put forward by the hon. member for Moose Jaw and the hon. member for Rosthern to which I have already referred. They coupled with their arguments, however, the statement that they were bound to the Liberal party and must follow that party at all costs. I have been rather convinced in recent weeks that this delegation of some four hundred pool farmers, dirt farmers from western Canada, probably impressed this government to a greater extent with regard to the difficulties of the western farmer than their representatives in the Liberal party have been able to do for the past six or seven years. I remember that in 1934 the present Minister of Agriculture led the Liberal party of Saskatchewan into power in that province. During the course of that campaign, in the month of June, he had distributed throughout the province a handbill promising dollar wheat. I do not know why dollar wheat is always the great issue in a Saskatchewan election, but in any event this handbill, put out by authority of the Saskatchewan Liberal Association, said:

Trade will bring dollar wheat. Dollar wheat will end your troubles. Dollar wheat will run your farm and pay your taxes. Dollar wheat will pay the hired help and pay your repair bill. Dollar wheat will pay your insurance and buy your wife a new dress. Vote Liberal.

My recollection is that the people of that province voted Liberal; but, as the hon. member for Rosthern pointed out last night, the debts of the people have been accumulating year by year. He did not make 1934 the jump-off date, but he did give the figures for several years since then. On May 15, 1934, May wheat was quoted at 70⅛ cents at Winnipeg and 86 cents at Chicago, and I think everyone will agree that the cost of production and the cost of living were not nearly as high then as they are to-day. I might give a comparison of the prices of some of the necessary farm implements, as between 1934 and 1941:

	1934	1941
Two-furrow gang plough.....	$137 50	$155 00
Eight-foot cultivator.....	143 00	162 50
Twenty-row double disc drill	250 50	295 25
Eight-foot binder.....	257 00	327 00

The average increase in these four farm implements, which are most necessary on any farm, was 18½ per cent during that period. Many hon. members know of the demand for power equipment to-day. In the Winnipeg *Tribune* of February 26 I ran across a short article making a comparison between army tools and agricultural tools, by Mr. Q. H. Martinson, who said:

The army tools of to-day dwarf those of 1918, just as the machinery of present day agriculture has outmoded that of twenty-five years ago. Mechanized equipment to equip a half-section farm to-day in some instances costs as much as fifty per cent more than the horse-drawn equipment needed for the farm during the last war. During the last war farmers used a horse-drawn binder; to-day he uses a combine. He hauled his grain to town with team and wagon; to-day he uses motor trucks. He ploughed with a horse-drawn two-furrowed gang plough; to-day he uses a four-farrowed gang plough drawn by a fast moving tractor. Mechanized equipment for modern agriculture is now a prime and urgent necessity.

I remember that the Minister of Mines and Resources (Mr. Crerar) who, I believe, is also a member of the wheat committee of the cabinet, spoke in Souris in 1937. He stated then that if the west could produce a good crop of wheat, all the difficulties of the farmers would be solved. Well, we have produced a couple of good crops in Manitoba since then, but I am afraid our farmers are still facing many serious difficulties, especially in the matter of debt adjustment.

The great disparity between industry, organized labour and the wheat producer has been increasing continuously. The Searle market feature of January 7, 1942, contains an article on the financial reward to wheat producers and to industrial labour, taking the period 1913-14 as the parity basis. They point out that the price of wheat now should be $1 at the average country point for No. 1 northern wheat, which would be equivalent to $1.20 for No. 1 northern at Fort William. Then they go on:

. . . because the cost of the things farmers have to buy, according to the Searle index, has increased 50·8 per cent since 1913-14. But the price of wheat to-day is actually only 53 cents. Therefore the price of wheat to-day is 45 per cent below "parity", or we can say that a bushel of wheat to-day has a purchasing power of 45 per cent less than it had in 1913-14.

For the industrial worker's average hourly rate of wages, however, to have the same purchasing power as it had in 1913-14, when it was at an index number of 100, it should now be at an index number of 145 (because the cost of living for industrial labour has gone up by 45 per cent since 1913-14). But the chart shows that the average hourly rate of wages to industrial labour is actually now at 210. Therefore the average hourly rate of wages to-day is 44 per cent higher than it was in 1913-14, or we can say that an hour of industrial labour now has a purchasing power of 44 per cent more than it had in 1913-14, or is 44 per cent higher than "parity".

The wide difference in the reward paid to wheat growers and to industrial labour respectively, should be borne in mind when proposals are considered to increase the price of wheat

to its "parity" price of $1 a bushel to the farmer at his country point, for this chart reveals that even though wheat growers should receive $1 for their wheat, industrial labour would still be receiving a much higher relative return for their labour than wheat growers would be receiving for their wheat.

The period used by the government as a basis for parity with regard to industry and organized labour during this war is that of 1926 to 1929, rather than 1913-14. On that basis of parity wheat would be worth $1.42; oats, 60 cents; barley 71 cents, and rye, approximately $1. As stated yesterday by the Minister of Agriculture, the ceiling price for oats has been placed at 51·5 cents, or approximately 9 cents under parity. The price for barley has been placed at 64·8 cents, or 7 cents under parity. There had been a ceiling of approximately 66 cents on rye, which is 34 cents under parity. There is now a floor under oats placed at 45 cents, and under barley at 60 cents.

I now turn to a press dispatch appearing in the Winnipeg *Free Press* of March 2. This article is written by Grant Dexter, many of whose articles have not been critical of the government. The article is headed "Increase in sale of goods and services in urban areas", and is as follows·

The rise is more marked in eastern Canada than in the prairie provinces. The increase from December, 1940, to December, 1941, varies from a peak of 21·5 per cent in Quebec to an actual loss of ·2 per cent in southern Saskatchewan, 8·2 in all of Saskatchewan and 14·8 throughout rural Manitoba.

This is marked evidence of the purchasing power created in this country during war time, of which I expect to say more at another time.

May I at this point make some reference to voluntary enlistments by provinces. This matter has a direct bearing on the subject of wheat. I heard one hon. member go much further last night when referring to manufacturing. By way of proving that people in western Canada are doing their share in the war, I should like to give some percentages based on a return showing enlistments at December 31, 1941. These are voluntary enlistments for the active army, air force and navy, and are based on the 1931 population:

Province	Percentage of voluntary enlistments to total population
	Per cent
Alberta	5
Saskatchewan	3·7
Manitoba	5·7
Ontario	4·6
Quebec	2·3
British Columbia	5·7
New Brunswick	5·4
Nova Scotia	6

[Mr. Ross (Souris).]

That is conclusive proof that these people who are labouring under such great handicaps, these western farmers, are doing their share, and that their sons and young people have done their bit by way of voluntary enlistment toward defending the nation.

Aside from food producing activities, the farmer has an important mission to fulfil. We need thriving agriculture for sociological reasons. Nations must never forget that agriculture's most valuable crop is the men and women who live by it. The resourcefulness, the self-reliance and the reserve of character that spring from working with nature and understanding her, from making decisions, from building on each separate farm a whole system of management of the soil out of the peculiar conditions that exist there, are moral assets we cannot lose without becoming incomparably poorer. I think that fact was brought out yesterday by the Minister of Agriculture when he drew the line from Morden to Saskatoon, and across to Lloydminster and down to Calgary, and pointed out that that area was chiefly and, in some cases, only fitted for the production of wheat, and that in that area provision had to be made for at least a million people. That is a factor which we as human beings cannot overlook, or lightly set aside.

Mr. G. Goddard Watts, in an article headed "An agricultural policy for Britain," points out that we need a countryside peopled by fresh rural communities in order to maintain the physical quality of our human stock. It is a tradition that three generations away from the soil will exhaust the vitality of a family, and that for refreshment and revitalization that family must leave its urban surroundings and reestablish itself in rural life. The nation which strangles its agriculture is on the way out. That is the verdict of history. I believe that in that statement there is plenty of food for thought for parliament at this time.

I have been somewhat disappointed that there has not been greater cooperation between the Department of Agriculture and the Department of Trade and Commerce and producers' organizations with respect to wheat. I should like to quote from the Winnipeg *Tribune* an article bearing out this thought. This was written by Mr. Q. H. Martinson; it is dated March 6, 1942, and reads as follows:

To-day the farmer and technical agriculturist are cooperating wholeheartedly with one purpose in view—the improvement of Canadian agriculture. To-day the producer and technical agriculturist are stressing the need for a permanent agricultural policy with little apparent response from the dominion government, apart from the work carried on under the Prairie Farm Rehabilitation Act. However, the scope of the P.F.R.A. is restricted to only part of western

Canada. Producers, producer organizations, technical agriculturists and other groups directly or indirectly associated with agriculture, fully realize the urgent necessity for the establishment of a long-term agricultural programme for Canada.

On July 12 last, a meeting of Manitoba members of C.S.T.A. was held at Brandon. At that meeting, a resolution urged the establishment of an advisory committee of agriculturists, farmer representatives, and others to advise the government on its wheat policy. Those presenting the resolution suggested that the government should make contact with all competent authorities and give careful consideration to suggestions and recommendations in the formation of an advisory committee. Specific recommendations entirely divorced from political considerations could then be offered the government. Despite the requests and advice of these recognized agricultural experts, the dominion government has failed to name an advisory committee and has failed to outline a programme of agricultural policy in Canada.

That is something which is much needed in Canada at this time.

Statistics were given by the Minister of Trade and Commerce with respect to surplus wheat in Canada and other exporting countries at this time. Therefore I have taken time to consider the prices of wheat in some of these other countries. To begin with, according to the Searle grain report of March 4, 1942, the price in the United Kingdom, which imports a great deal of wheat, is placed at $1.90¾ for the home producer. The report states:

> The price of homegrown wheat in the United Kingdom will be increased by about 18 cents a bushel for the 1942 crop. The new price will be equal to about $1.90¾ per bushel in Canadian funds.

The price of wheat in the United States, which also has a very considerable surplus, is set out by Mr. R. M. Evans, administrator of agricultural adjustment and conservation in the United States Department of Agriculture. I was privileged to listen to a speech by Mr. Evans in the Chateau Laurier last winter. He has stated that commodity loans are made to producers who have complied with their acreage allotments. These loans are based upon 85 per cent of the parity price for the commodity. For wheat this has meant a loan rate of $1.15 a bushel for No. 2 wheat at Chicago. On March 7, May wheat was quoted at Chicago at $1.29⅞. It was quoted at Winnipeg at 79¼ cents or a difference of 50½ cents a bushel.

We have had the united requests of the western pools, western governments, municipal unions, western boards of trade and other organizations representing every walk of life west of the great lakes asking for an initial payment of at least $1 a bushel. Some of them used the parity of 1913-14 which was $1.20 a bushel, and I have already quoted the parity of 1926-29, which was $1.42 a bushel. Reference has been made to the proposal of the line elevators. They suggested:

(a) An initial payment for farmers delivering their 1942 wheat crop to the Canadian wheat board of $1.22⅛ per bushel basis one northern delivered Fort William or Vancouver.

(b) That the government accept delivery of 350,000,000 bushels of the 1942 wheat crop on this price basis.

(c) That deliveries and sales of the 1942 wheat crop be segregated from the carryover of past years and the carryover be reserved to meet post-war and unforeseen war requirements.

That is in keeping with the previous suggestion of that great British leader, the Right Hon. Winston Churchill, and the man who was a great figure in the last war, Mr. Lloyd George, that there should be established a surplus to be held until after the war, which surplus would prove a great talking point when many of the nations of Europe would be so hungry.

I listened this afternoon to the hon. member for Wood Mountain (Mr. Donnelly) attempt to take credit to himself and the other Liberal members for all that was worth while in the Prairie Farm Assistance Act. He said that members had gone home and made little of it, telling the people that they would never be paid under that scheme. I have no idea to whom he referred, but I know I have never heard of any member discussing that undertaking in that way. Some time before I became a member of this house I advocated some form of crop insurance, and I think that is a step in the right direction. I will be quite frank and say that in many places, including this house, I have criticized the administration of the act. I think I was right in doing so because I believe it could be greatly improved upon, especially the administration during the first year of its operation. But it was a step in the right direction and, as the pool delegation pointed out while asking for a higher price for wheat, the scheme should be broadened so that it would be of more use to the people in the west.

The hon. member went on to refer to the 70 cents a bushel paid for wheat, and the 30 cents a bushel which was paid on an acreage basis. However, the farmer in my neighbourhood does not get 70 cents a bushel; he gets only 51 or 52 cents. Moreover, I submit that the acreage reduction bonus or the Prairie Farm Assistance Act has no relationship with the price of wheat produced. Perhaps it could not be called charity, but it is a means of providing for those who do not produce the commodity and, therefore, has no proper connection with the higher price we are asking for so urgently, a price higher than that contained in the statement given to us by the Minister of Trade and Commerce.

I understand that we are to have the privilege of discussing this measure in committee and I shall have a great deal more to say at that time. I do not wish to take up any more of the time of the house on the bill at this particular time, other than to state that I shall support this amendment to provide a parity price for agricultural products, and especially for wheat.

Hon. J. G. GARDINER (Minister of Agriculture): Mr. Speaker, I had not intended to speak again until these bills had gone to committee but in view of the fact that the resolution now before the house in the form of an amendment is stated in terms which do not place before the house in a proper manner what actually did take place when the farmers' delegation from western Canada was here, I desire to address a few words to the house before the vote is taken. The amendment reads:

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

"this bill be not now read a second time, but be it resolved that the disregarding by this parliament of the modest representations made by western agriculture for a parity price for all agricultural products and an initial wheat payment of at least $1 per bushel for No. 1 northern basis Fort William is contrary to the peace, order and good government of Canada."

The first thing to which I should like to call attention is the fact that this does not refer to the government of Canada; it does not refer to the Department of Trade and Commerce, the minister of which department is introducing this bill, and it does not refer to the Department of Agriculture. It is not a condemnation of any one of those three. It says:

. . . this bill be not now read a second time, but be it resolved that the disregarding by this parliament of the modest representations made by western agriculture for a parity price for all agricultural products and an initial wheat payment of at least $1 per bushel for No. 1 northern basis Fort William is contrary to the peace, order and good government of Canada.

I scarcely know, as a member of the government or as a minister of the department responsible for two of the bills before the house, whether I should speak on behalf of the whole parliament in asking that this parliament should not condemn itself, or whether I should speak only on behalf of the legislation itself. Probably it would be best if I were to place before the house exactly the representations that were made by the farmers of western Canada when they were here and also, as nearly as I can, the position taken by those members of the government who met the delegation. I shall try to leave with the house some idea of the understanding with which the farm delegation left Ottawa.

[Mr. Ross (Souris).]

In order to do that, I think I should refer to the last occasion upon which I as a representative of the government, spoke to the delegation in Ottawa. The proceedings before the delegation when government members were present were taken down by *Hansard* reporters, and there is an exact report of what occurred. When I was addressing the delegates just before they closed their last business meeting with the government, I made the following statement as reported on page 61:

I am pleased that at your first meeting yesterday you had the opportunity of meeting nearly all the members of the government and that in the afternoon you met all the members of the wheat committee of council, and, this afternoon, three of those members. For I consider it my responsibility to go before the wheat committee of council and also to go before the full council and submit your views presented on this occasion as I have understood them. And I may say I intend to do that. But let me repeat what I said yesterday. Do not go away from the meeting understanding because I have promised to submit your views you are going to get all that you have asked for. Your representations will be made to the whole government and will be considered by the whole government. Legislation will be necessary to effect whatever we decide to do. Any legislative bill introduced into council as a result of discussions in the wheat committee relating to the price of wheat must of necessity be introduced by the Minister of Trade and Commerce, but it will be considered and passed on by the members of the government, and it will be the decision of the whole government which will finally rule in the matter.

I think the delegates when they left understood perfectly what the relationship was from that time on between the government and the delegation itself with reference particularly to the matter of the wheat price which was to be established in connection with this legislation. I could go on to read succeeding pages, but I shall not take the time to do so to-night. In these succeeding pages I have asked them definitely what it is they desire to have, and in these pages they have set this out. One thing they are very definite about is that they would like to have a $1 advance on wheat. Another thing they are very definite about is that they would like to have an increased payment on one or two occasions during the year, to bring the entire amount received for their wheat, during that twelve months of 1942, up to what they term parity price. When I asked them definitely if they meant by parity price $1.41 a bushel, which was the average price for 1926-29, the president of the wheat pool explained to me and the delegation that they were prepared to accept what the statistics branch of the Department of Trade and Commerce would determine to be parity price. In other words, they went away believing that what they had asked for was a $1 advance on wheat, plus

payments during the year which would bring the total payments made, following the 1942 crop and within that twelve-months' period, up to what would be agreed upon as parity price.

Mr. HANSON (York-Sunbury): If the minister will allow me, he quoted from a report of the proceedings of the meeting between the government and the visiting agriculturists. That, I believe, is a public document. We have never seen it. Will he lay it on the table?

Mr. GARDINER: I had intended to have it distributed to all the members of the house if I could get it mimeographed. I shall have a copy laid on the table in any event.

The petition which was brought by the delegation outlines their requests perhaps better than anything else, and I should therefore like to deal with the different sections of that petition, seven in number. The petition was signed by upwards of 185,000 people of Saskatchewan. The delegation of four hundred was a delegation from Saskatchewan alone, but they had asked representatives of the farm organizations in Alberta and representatives of the farm organizations in Manitoba to accompany them. The petition was signed in the province of Saskatchewan by some 185,000 people. They were not all farmers. About one-third of the delegation which came to Ottawa came from the urban districts, and from Moose Jaw, Regina and Saskatoon the mayors of these cities came to Ottawa with the delegation. Therefore, while the delegation was not all farmers, I would agree with the hon. member for Weyburn (Mr. Douglas) when he said this afternoon that this was a representative delegation from Saskatchewan, representative not only of the farmers but of most of the people of that province.

The first thing they asked was that the government recognize and accept the principle of parity price for all agricultural products. The first statement in the amendment that has been proposed is:

> . . . this bill be not now read a second time, but be it resolved that the disregarding by this parliament of the modest representations made by western agriculture for a parity price for all agricultural products and an initial wheat payment of at least $1 per bushel for No. 1 northern basis Fort William is contrary to the peace, order and good government of Canada.

I do not expect that this house is going to disregard that request which was made by the farmers of western Canada. But whether this house disregards it or not, the government of Canada has not disregarded it nor has the Department of Agriculture nor the Department of Trade and Commerce. Every possible consideration under the circumstances was given to that representation, and may I say that what has been done up to date with regard to most of the products with which the western farmers are concerned is not so far away from what was asked as some members would like to lead the house to believe.

For example, parity for butter, which is one of the very important products of Saskatchewan is 36·5 cents a pound. This differs from my yesterday's figure because I used the average price for 1926-29 yesterday, while this is the figure adjusted for changes in purchasing power. The price of butter is 35·5 cents a pound. Therefore at the present time there is really only one cent of difference between what was declared to be parity and the price which butter is actually bringing at Montreal at present—and prices in Saskatchewan range back from the price at Montreal.

Cheese is a product with which they are not so much concerned in Saskatchewan, but the delegation made it very plain when they were here that they were concerned not only with themselves but with all the farmers of Canada, and that they wanted parity for all the farmers of Canada. Parity for cheese is 18 cents a pound. These and all succeeding parity prices are calculated on the same basis as butter. The ceiling price actually set for cheese—and cheese has been maintained within a cent or two of it—is 25 cents a pound. That is seven cents above parity. Is anyone in this house going to conclude that the government have paid no attention to the representations of the western delegation that we should have parity for agricultural prices when here are two of the most important dairy products which are marketed in the Dominion of Canada, one selling within one cent of parity and the other up to seven cents over parity? I am sure that the house will agree that the government did pay some attention to the representations of the delegation, and that we paid some attention to the representations which the house has made to the government from time to time.

Coming to the next one on the list, hogs, the parity price in Toronto is 11·09 cents; in Winnipeg, 10 cents. On the market in Toronto the day before yesterday hogs were selling at 11·63 cents— and parity is 11·09 cents. In Winnipeg hogs have been selling consistently above 10 cents ever since the agreement entered into last fall. Again, are we going to say that either the Department of Agriculture or the government of Canada or this house has paid no attention to the representations made to the effect that we should have parity in hog prices?

Let me take the next one on the list, and these are all products in which Saskatchewan is interested and which it markets in great volume. Take cattle. The parity price for steers is $8.63. Steers are selling in Toronto at present at $9.90, which is more than one dollar a hundred above what is acknowledged to be parity.

That brings me to the top of the list of live stock and live stock products which are marketed in considerable volume in Saskatchewan, in western Canada, and all across Canada. But just before leaving cattle and hogs, may I repeat what I said yesterday? There is no ceiling price on cattle and hogs, but there is a ceiling price on beef and pork. What are the facts in relation to these prices? And these, after all, are the prices which control live stock prices in Canada in so far as they are controlled by ceiling prices.

Sirloin steak in 1926-29 averaged 35·3 cents. In the period which set ceiling prices the highest price was 37·2 cents, which is 1·9 cents higher than the price on an average during the period 1926-29. Figures for other commodities on the same basis of comparison are:

	Average 1926-29	Highest price in period which set ceiling prices	Increase above 1926-29
	cents	cents	cents
Round steak	28·2	32·6	4·4
Rib roast.....	27·9	35·3	7·4
Shoulder roast.....	18·9	24·4	5·5
Beef, stewing	16·6	20·9	4·3
Veal shoulder roast	24·4	25·0	0·6
Pork fresh leg roast	29·3	31·0	1·7

I give these in order to indicate that the government has not disregarded the farmers' desire to have parity prices.

There are other products marketed from western Canada—grain products. I admit at once, Mr. Speaker, that grain products are generally speaking below what is termed parity. I also say this to the house, that this question was very freely discussed with the delegation that came here from western Canada, and they understood what the government's position was in relation to the matter.

Coming to the first one, which was dealt with yesterday, namely, flax, there was explained to this house a special order in council which sets the price of flax for the year 1942 at $2.25 a bushel. Yesterday I said that the average of the prices for 1926-29 was $2.05, and that this price is 20 cents above it. I might have gone further yesterday and said that parity was $1.96 and the price set by the government is $2.25. In relation to that product it surely will not be said by any hon. member that this government and this parliament pay no attention to the representations which were made by western farmers who were in the delegation which was here a few days ago. That is the exact price which was mentioned for flax by the chairman of the delegation. But that particular item illustrates, Mr. Speaker, a fact in relation to this whole question which never yet has been placed squarely before this house. Hon. members have said from time to time that the reason why prices of wheat are not higher is that there is not a demand for our wheat. A year ago the reason why the price of flax was not higher was that there was not a demand for flax. The ceiling price was set at $1.64, and no farmer in western Canada would grow flax at present for $1.64. There would not be a production of it excepting on those lands which had been prepared for flax and which farmers were going to put into that crop whether they expected to make any return from it or not. But things have happened since last year. We have a demand for vegetable oil. We have a shortage of vegetable oils which cannot be met from any importations. We must produce whatever vegetable oils we require in addition to those which we have already imported. So that there is a demand for flax, and immediately it arose the government of Canada said, "We are prepared to pay $2.25 a bushel in order to get it grown in Canada"—20 cents more than the average price for 1926-29, and 29 cents higher, I believe, than the parity price as stated in the figures which have been prepared for me in the department.

That brings me to those grain products for which I cannot claim there is at present a parity price in this country; they are oats, barley and rye.

In so far as rye is concerned, it is not a grain which is produced in great quantities in any part of Canada. It is grown in the west by a limited number of farmers and over a limited area, more particularly on the lighter soils. It does not concern the income of any considerable number of farmers in western Canada.

Barley and oats are much more important crops. The suggested parity price for barley is 69·7 cents, and the ceiling is 64⅞ cents; that is, the ceiling is almost five cents below the parity price. But, Mr. Speaker, there is another point in relation to that which I wish to make after giving the figures for oats. For oats, 57·3 cents is parity and 51⅞ cents is the ceiling. There is a difference of under six cents a bushel. Those two grains are produced largely for feeding purposes in Canada,

and are directly related to the live stock products with which I have been dealing. I believe I would be safe in saying that at least ninety per cent of the grain which is grown in Canada in those two classifications is fed to live stock in Canada, and nearly all of it is fed on the farms where it is grown. So this price is not one which represents a return to the farmer for the great volume of the coarse grains. The prices which represent the returns are the prices of those live stock products which I have already given to the house, most of which are away above parity. I again submit that the statement made in the amendment is not one with which hon. members in any quarter of this house can agree if they are going to take the facts into consideration.

That brings me to wheat. Everyone in this house, everyone in the country admits that wheat is not at a parity price, and I believe, in spite of what has been said by some hon. members, that every member of the delegation—I would be very much surprised if any of them said otherwise—went home believing that they were not going to get all that they asked for wheat. There is every reason why they should have believed that, and there is every reason at the same time why they should have impressed upon the government the importance of bringing the wheat price to parity at as early a date as possible. But let me repeat, I do not believe that any one of them went home expecting that they were going to get all that they asked for in relation to wheat. What else could the remark which I made to them have meant, when I reviewed to them all of these seven requests which they made, indicated to them those which we had already dealt with to a considerable extent, indicated also some which we would not be able to deal with as they had asked us to deal with them, and then said that the most important thing for which they had asked in their submission was a price for wheat; and we spent most of our time discussing that particular policy. They went away with the idea definitely in their minds, I believe, that everything that could be done for them under the circumstances would be done, though not all that they asked for would be done.

That brings me back to what I said with regard to flax. I said that a year ago there was not on the horizon a market for even the amount of flax which we were growing in Canada. I said yesterday I believed that the crushers which we have in Canada had not a sufficient capacity to crush more than half of the flax which we did grow last year—a fact which in itself would indicate that those who are interested in the industrial use of flax in this country were convinced at that time that there was not a ready market for much more flax than was being grown, or they would have provided the capacity to handle that flax within the dominion. But it was not provided and has not been provided up to the present time, so far as I know.

Mr. HARRIS (Danforth): Perhaps the minister can explain to the house why we handled only 17,000 tons last year whereas, as far back as 1920, we handled 170,000 tons.

Mr. GARDINER: Of course conditions have changed entirely, and I have no doubt there has been a change in the capacity.

Mr. HARRIS (Danforth): The actual fact is that the equipment is here to handle it if we produced it.

Mr. GARDINER: I am not going to dispute what my hon. friend says, although the officials of my department tell me that it is not; but even if the equipment is here, everyone realizes, I think, that a year ago it was not expected that we would be able greatly to increase our production of flax in Canada and be able to get rid of it at a price which would pay the farmers. Since that time, as I said a moment ago, the whole situation has changed in relation to flax. I have said on the floor of the house before, and I repeat it here, that in my belief, if we win this war—and I believe we are going to win it—long before the war is over, all the wheat we have in Canada, or all that we are likely to grow between now and the end of the war, will be required to feed the people that must be fed with Canadian wheat. Being of that conviction, I believe that, before this war is over, wheat will be in exactly the same position as flax has arrived at during these past twelve months. I do not know whether it will be during 1942; I do not know whether it will be during 1943; but I am as convinced as I am that I am standing on the floor of this house to-night, that at some time before the end of the war every bushel of wheat that is grown in Canada between now and the end of the war will be required to feed the people in Europe and in some other parts of the world.

Mr. HANSON (York-Sunbury): And may we not have to give it to them?

Mr. GARDINER: My hon. friend asks, may we not have to give it to them? That is what it may mean with regard to flax. That is exactly what it does mean with regard to hogs. When I say that we have more than a parity price for hogs now, more than a

parity price for cheese and almost a parity price for butter, let me point out that there is only one of these three products in connection with which the government is not paying a very considerable part of the price, namely, butter. Cheese and hogs are being marketed in Great Britain—or sent to Great Britain, not marketed—in order to feed the people there at this time, and they are being financed by the government of Canada. When the day comes that wheat is demanded—

Mr. HANSON (York-Sunbury): Financed by the people of Canada.

Mr. GARDINER: Yes, through the government of Canada. The government and the people are supposed to be the same thing in a democracy.

An hon. MEMBER: Hardly.

Mr. GARDINER: Well, they are supposed to be, and I may say it is more nearly that at present than usually. I do not know when wheat will arrive at that position, but I do know that when it does, the government will do with wheat what they have done with flax, hogs and cheese and, in another way, with butter. The government will see to it that a parity price is reached in connection with that product just as in connection with other products. I think the farm population of Canada realize that.

I have on my desk a number of letters. Yesterday letters were read and I have here letters to the opposite effect. Do you know, Mr. Speaker, they do not all come from individuals either. Some of them are from councils; one at least is from a municipal association. One or two are from pool locals in the province.

An hon. MEMBER: One or two?

Mr. GARDINER: Yes, and I could get more, but one or two from this group.

Some hon. MEMBERS: Oh, oh.

Mr. GARDINER: I do not mean I could send for more, but I could get more that are in my office. Here is one from a local:

> At a shareholders' meeting of the local elevator of the Saskatchewan wheat pool the following resolution was passed unanimously:
>
> "That this meeting go on record as approving of the efforts of the federal Minister of Agriculture, the Hon. J. G. Gardiner, in the interests of western agriculture, as shown by his procuring certain bonuses for the farmers of the west, thereby materially helping them in their trying condition. You will accept our thanks and appreciation."

That was passed at a meeting at which they were discussing the signing of the petition that was brought to Ottawa by the delegation which was here a short time ago.

An hon. MEMBER: Where was it from?

Mr. GARDINER: From Kelfield, and I am informed that the man who moved it is reeve of the municipality and prominent in the Conservative association. There are a number of these letters, and everyone of them says in effect: "We would like to have $1 a bushel for wheat, but if giving us a $1 a bushel for wheat is going to lessen the amount which has been paid to us under acreage payments during the past two or three years, then we would prefer that you retain the acreage payments." There is a reason why they say that. That reason is to be found in the results of the payments which have gone out in municipalities during the current year. Let us take the first one. I think it is in the constituency of the hon. member for Weyburn, municipality No. 8, right at the United States boundary line, almost straight south of Weyburn. There are in that municipality 267 farmers. The number of farmers receiving wheat acreage reduction was 187; the number whose payments were still pending at that time, 56. That means that out of 267 farmers, 243 had applied for payment under wheat acreage reduction. What did they receive up to that time? They received under wheat acreage reduction, $37,592; they were to receive still, under that payment, about $7,800; and they had received or were to receive under prairie farm assistance for this year, $8,986, and prairie farm income, $23,779. The total amount they were to receive under wheat acreage payments was $78,252.

The total amount of wheat they marketed in that whole municipality was 234,000 bushels. It has been stated in the house that the price this year was something under 50 cents a bushel. My figures indicate that the average price for wheat in western Canada this year, when grade has been considered, was about 53 cents a bushel; but let us take it at the straight 50-cent rate, because it is easier to figure. That would be just half the number of dollars that there were bushels delivered, or $117,000 received for wheat, together with $78,000 received under the acreage payments.

That is a municipality in which the crop was around ten or eleven bushels to the acre. Let us take one where the crop was much lighter than that, where the farmers would have had to go on relief if they had not received these payments, just as some of the farmers in the municipality to which I have just referred would have had to go on relief but for these payments. Here is another municipality which illustrates the point I wish to make; it is No. 135, over in the southwestern part of the province, just south of Swift Current. There the payments under wheat acreage reduction amounted to a little

over $91,000; payments under prairie farm assistance will be $160,996, and the income payments made will be $47,000. So the total income there from acreage payments will be just about $300,000. How much wheat did they have? They had an average of 1·2 bushels per acre. They had not enough wheat to seed their land back again in the succeeding year, and, according to my return, no wheat at all was marketed from that area. In other words, every dollar they received in that municipality came from these different acreage payments. There is no way of estimating what was the price per bushel received by these farmers.

Mr. HAZEN: How many farmers were there in that municipality?

Mr. GARDINER: There were 467. I have a group of returns here covering the greater part of Saskatchewan, and another group covering Manitoba and another for Alberta. They demonstrate that under the arrangements which have been made for prairie farm assistance, as passed by this house three years ago —and in municipalities such as this by far the greater part of the income is derived under prairie farm assistance—the result has been a levelling of the amount received up to about what is required in a municipality in order to make it possible for people to remain off relief; and that was the objective in framing of the Prairie Farm Assistance Act. It has proven itself in the second poorest crop year we have experienced in recent years.

When the farm delegation came here they first congratulated us upon the fact that we had put the Prairie Farm Assistance Act upon the statute books, and then asked us to increase that assistance. I placed these figures before them, and after I had done so they did not repeat their request. They did say, "We want prairie farm assistance continued," and they also said they would like to have it converted into insurance. I told them there was only one reason why we did not convert it into insurance; that was the fact that we were informed that it was ultra vires of this parliament to pass legislation with regard to insurance of this kind. I believe that whole question was threshed out at the time hail insurance was established in the western provinces. We asked the federal government to establish it. The matter was looked into, it was determined that the federal government could not do it, so the western provinces established hail insurance.

When this legislation was before the house three years ago I appeared before a committee in the other place, and on that occasion the then Conservative leader there, Mr. Meighen, asked me the direct question: "Is this insurance?" I said I did not think so. He asked, "Is it intra vires?" I replied, "I am not a constitutional lawyer, but the legal advisers in my department say that it is intra vires." He said he had some doubts about it but that they had a legal adviser in the other place, at that time Mr. O'Connor; and he turned to Mr. O'Connor and asked what he thought about it. Mr. O'Connor said he had some doubts as to whether it was intra vires, but he added, "It is the kind of legislation that ought to be passed by some body for western Canada. I think it should be passed, and if it is ultra vires that can be proved in the courts." So the bill went through the committee with only one dissenting voice; it was passed in the other place, and became law. I told the story to the farmers who were here and said I did not think we could introduce legislation in the form of insurance, but we did intend to maintain this legislation upon the statute books for this year at least, and that as long as I was Minister of Agriculture I hoped that it would be retained on the statute books. They applauded that remark, and as far as this point was concerned they carried that idea home with them.

I give that recital in order to indicate to this house that the farmers who came here from western Canada were not misled. They were given a complete understanding of the situation, and they returned home knowing pretty well what we intended to do in connection with the various recommendations which were placed before us. Let me read those recommendations. I have dealt in full with some of them already, but I should like to place them all on *Hansard*. The first is:

1. That the government recognize and accept the principle of parity prices for all agricultural products.

I have already indicated that the government had the average prices of 1926-29 as an objective. The next request was:

2. That no price ceiling should be established on agricultural commodities below parity levels which may be established by the dominion bureau of statistics.

I have dealt with that, indicating the extent to which we have departed from it. In essence the only departure has been in connection with wheat. As to the other products, they are practically at parity, or over parity or in a position where the returns to the farmer do not come from the direct sale of the product. Then:

3. That equitable delivery quotas on wheat should be established and continued as long as required.

In this regard I told the farmers that this was the policy of the government; that it was established two years ago; that it was still

maintained, and that, as far as I knew, it would be maintained as long as conditions warranted. Then:

4. That the initial payment on all wheat delivered to the wheat board should be not less than $1 per bushel, basis 1 northern in store Fort William, and that the final settlement should be made on the basis of parity prices above referred to.

I think I have discussed that point fully, but should add that it was agreed this was asked for the 1942 crop. The next request was:

5. That the carryover of wheat as at 31st July, 1941, should be regarded as a national emergency war reserve, and that all sales made by the wheat board after 31st July, 1941, should be credited to the current season's deliveries.

That was a request which had its origin in this house. Whatever hon. gentlemen opposite may say as to who originated the idea, I think it can be truly said that it came some two or three years ago from the Liberal members on this side, and since that time it has been taken up and advocated by the pools. I explained fully to the delegation that when this request was made for the first time by the pool organizations, in August of last year, I had brought their representations back to Ottawa, but that by the time they were presented here it was found that a very considerable part of the wheat which had been marketed prior to that time had been sold outright, and that therefore anything in the way of payment on participation certificates in relation to that wheat would not benefit a very considerable number of the farmers of the west. So it was suggested by the government that instead of making a payment on that basis, in order to give greater income to the farmers of western Canada the payment should be made on the basis of an acreage income payment. That acreage income payment was estimated at $20,000,000, or exactly 10 cents a bushel on 200,000,000 bushels of wheat, which at that time we considered would probably be delivered in western Canada.

In other words, it was agreed by the government that the income from wheat was too low, partly because of the fact that we had asked farmers to reduce their wheat acreage, and partly because of the fact that there was a poor crop last year, and that that income should be increased. While we were not prepared under the circumstances to increase it by declaring all of the carryover to be a reserve, and then paying their participation on the sale price of the wheat in 1941, still we were prepared to deliver upwards of $20,000,000 to the farmers on the basis of 75 cents an acre on half their cultivated acreage. That is being done. It was explained to the farmers, and that explanation will be found in this volume I have before me on my desk at the present time.

Then No. 6:

6. That suitable amendments should be introduced to the Prairie Farm Assistance Act so that an adequate and practical crop insurance scheme may be established irrespective of market prices prevailing or the number of townships suffering crop failure.

There is only one part of that recommendation which I have not explained to the house, as I explained it to the delegates at that time, and that is the last phrase of it. This has reference to the number of townships suffering from crop failure, and the suggestion that that number should be cut out of the legislation altogether. At the present time the legislation says that you must have 171 townships in Saskatchewan with less than five bushels to the acre before you can declare a crop failure area in that province. I believe the figure for Alberta is 90 or 91, and for Manitoba it is 50. The proposal here is that we cut those figures out and make it so that an area could be declared to be a crop failure area, even though it consisted of only one township.

I explained to the delegation that there is only one reason, in addition to the one I have already explained (insurance), why we based this act on the township, and that is that we wished to prevent areas, or single farms consisting of poor soil, or having farmers upon them who could not make good land grow crops, from drawing under this legislation every year. In other words, if a township averages over twelve bushels to the acre, we estimate that the farmers in that area ought to be able to grow enough wheat or enough of other crops to get along. It will be remembered that wheat is only a barometer under this act. The payments are not made on wheat; they are made on cultivated acreage, even if there is no wheat grown on the farm at all. Wheat, may I repeat, is used only as a barometer.

So what we say to them is that if it is possible to grow an average of more than twelve bushels to the acre in a township, then the weather has been such in that township that the government should not be called upon to pay any assistance there. This means that if there were half a dozen farmers in there who, irrespective of weather conditions, are not able to grow twelve bushels to the acre, then there must be something wrong either with the land they are farming or with their methods of farming. In either case it is not something over which the farmer himself has no control.

Then, when it comes to a matter of dealing with large areas we say that if four or five

townships were made an area which could be declared a crop failure area, it is possible in any of the provinces of western Canada to find an area of four or five townships of submarginal lands which would come under this legislation every year. So we have said that there must be a comparatively large area declared in, and that there must be within the townships themselves a low average before they will be permitted in. All of these things were explained to the delegation which was here.

After the explanation was made, a representative of the municipal association from south of the city of Regina came to the platform and stated he wished to place before the government three resolutions passed by the municipal association of Saskatchewan. One representation was to the effect that we should not allow anyone to be paid who had grown over twelve bushels to the acre on an average. I said to him that there were thousands of farmers in western Canada who grow wheat only on the best land they have, only on the best prepared summer-fallow they have, and that those men will probably always have more than twelve bushels to the acre, on a very limited acreage. The same men may have no coarse grains at all, because their coarse grains are grown on spring ploughing, and it requires a great deal more rainfall to grow a crop of any kind, as every farmer knows, on spring ploughing than it does on summer-fallow. So he might be entirely without coarse grains. His pasture may be poor because there has been no rain.

I repeat—and I stated this to the farm delegation—that wheat is only the barometer in connection with this act. Those who have said, from the other side of the house, that it is not altogether correct to say that payments made under the Prairie Farm Assistance Act are payments made on wheat, are quite right in their statement. You can draw under the Prairie Farm Assistance Act, even if you do not grow an acre of wheat. As was said by someone yesterday—I do not remember who it was—one of the functions of the act is to encourage the farmer to go out of wheat and into coarse grains. That was one of the reasons why we did not tie the payments to the wheat crop, but rather tried to tie them to the total acreage a farmer might be farming.

The next request—and this is the last one—is in these words:

7. That since the future of our agricultural industry depends largely on our ability:

(a) to conserve the fertility of our soil;

(b) to establish production and marketing methods which, while maintaining continuity of supplies, will also prevent avoidable surpluses;

and since these objectives may involve an increasing degree of control and regulation, including international agreement, such changes should be made in our agricultural policy as may be necessary to achieve these objectives.

I said, with regard to this, that we had already been doing something with respect to the conservation of the fertility of our soil. We have done that through the Prairie Farm Assistance Act, through the encouragement to summer-fallow, through the encouragement to grow roughage in connection with some of the summer-fallow—and this practice was criticized yesterday from the opposite side of the house—rather than having summer-fallow which would require keeping all of the soil black at all times. All these things are being encouraged to-day. And they agreed—at least no one raised any objection to my explanation—with what was being done under that legislation.

Then, with regard to the establishing of production and marketing methods—

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

Mr. MACKENZIE (Vancouver Centre): He was replying to an amendment.

Mr. HANSON (York-Sunbury): Has he not the right to go on?

Mr. GARDINER: I thought when I came to this point that I would probably get a ruling. I would take it that I was mistaken, and that this is not as I thought it was when I was speaking on the point of order—a vote of want of confidence. Parliament has been asked to condemn itself—not the government. So I presume it is not a vote of want of confidence in the government.

Some hon. MEMBERS: Go ahead.

Mr. GARDINER: Mr. Speaker, my point is that I believe it was generally accepted by the group of farmers who came here that paragraph 7 in the petition was pretty well covered by what we are doing now in relation to farm production.

I believe that gives a pretty fair summary of the representations made, and what was said about them. I do not believe that it bears out the contention of this amendment which reads:

. . . but be it resolved that the disregarding by this parliament of the modest representations made by western agriculture. . . .

I think I am correct in saying that the representations were not disregarded by the government, by the departments of the government or by this house.

I have only one further statement to make. Suggestions have been made continuously since this war began that we ought to do

what they are doing in some other country. Only last night we had all this reviewed again and we were told that we should have an AAA in this country. We were told that we should be doing some of the things that they have been doing in the United States. I would suggest that since 1938 the United States have been trying to get their wheat acreage down. Between 1930 and 1938 they increased their wheat acreage from 66 million acres to 81 million acres, and then they evolved a policy to reduce acreage. That policy at the present time is simply this: When a man cuts down his acreage to the extent that the government say he ought to, they will lend him 98 cents a bushel on his wheat. They have made loans covering considerable amounts which I have in the records here. But if he does not cut down his acreage in accordance with their request, they will lend him only 49 cents on his wheat. In other words, in the United States they lend a man twice as much on his wheat if he obeys the request of the government than if he does not. It is true that this has tended to set a floor under wheat of 98 cents a bushel in the United States provided the farmer does what the government ask him to do.

In this country we have not adopted exactly the same method. We said to the farmer last year that if he did not reduce his wheat acreage, he could draw 70 cents a bushel Fort William, or approximately 50 cents a bushel at the farm on his wheat, just one cent more than he could have drawn in the United States if he had done the same thing.

Mr. HANSON (York-Sunbury): On quota.

Mr. GARDINER: Yes; it was all the grain he grew on quota.

Mr. NICHOLSON: What percentage of United States farmers cooperated?

Mr. GARDINER: Not a large percentage cooperated by accepting loans. I have that information here, but I cannot give it at the moment without looking through a lot of papers. But we did not stop there. We said to the farmer that if he would take acreage out of wheat we would pay him $4 per acre if it was summer-fallowed, or $2 per acre if it were put in coarse grains and he would get the price of the coarse grains besides. We said we would pay $2 per acre on coarse grains and then, if a crop of grass were sown along with it and it were left in grass until next year, we would pay another $2 per acre which would make $4. We said that if he would sow to rye we would give him $2 per acre, and that if his land was still in rye next summer we would pay another $2 per acre. We proceeded to get our wheat acreage reduced. This resulted in our paying out $30,000,000. Figuring on 200 million bushels of wheat, or whatever is marketed this year, this will approximate 30 cents a bushel. That 30 cents added to the 70 cents makes a dollar Fort William. There is not as great a difference between the two as some would indicate, but we got a proportionate wheat acreage reduction in one year, I believe, speaking from memory, than the United States government got in all the years they have been operating their policy. They started with 81 million acres and we started with 28 million acres.

Mr. COLDWELL: Did the minister not make an arithmetical mistake when he said that dividing 200 million acres into $30,000,000 would give 30 cents?

Mr. GARDINER: I should have taken $60,000,000. I was not covering the whole picture. It will be $30,000,000 in the one and approximately $30,000,000 in the other two. We will pay out under our bonus payments about $60,000,000, and all of them are related to wheat acreage control. That being the case, I should like to suggest to hon. members that I think it would be much better if we all went out and told the people what we are doing in Canada instead of telling them what they are doing in the United States. Despite what they are doing in the United States, the farmers of Canada have really been getting more for their wheat than the farmers in the Argentine and Australia. Of course, there are reasons for that.

An hon. MEMBER: How much more?

Mr. GARDINER: I have not the exact figures here, but I shall get them before we are out of committee. We have been asked why wheat is selling in the United States at $1.27 a bushel when it is selling on our side of the line at 70 cents Fort William. I have just stated one of the reasons. We are paying out a considerable amount of money from the treasury, and by the way they are not paying anything out from the United States treasury. A great percentage of the wheat is sold and consumed there on that price basis. Some may be purchased and put in storage under their ever-normal granary policy, and this is true of other products as well. I repeat that we can do Canada a lot of good by telling the facts exactly as they are.

Mr. FAIR: That is what I have been pleading for all the time.

Mr. GARDINER: But when the hon. member rises in his place in this house he pictures them quite differently.

Mr. WRIGHT: What percentage of the total income of the Saskatchewan farmer is derived from products bringing parity prices, and what proportion of his income is derived from products which are bringing below parity prices?

Mr. GARDINER: I am not in position to give the figure, but I think the figure quoted this afternoon by the minister for Wood Mountain was some 71 or 72 per cent from wheat—the member for Wood Mountain (Mr. Donnelly); he ought to be minister. That being the case, I think it might be a good thing to give all the facts to the people in western Canada.

There has been another matter dealt with and in connection with which we have been compared continuously with the United States. I refer to the marketing of live stock products. Something was said, either this afternoon or yesterday, to the effect that we did not have a surplus of pork and cheese products and that that was one of the reasons why we should not do certain things about wheat. During the first year of this war they had more pork products in the United States than they knew what to do with. Hogs were selling in the United States at 4½, 5 and 6 cents a pound. The government simply told the farmers that they would have to cut production down to consumption, that when they got it down the price would likely go up. The price did not go up until production was brought down to consumption. Because 30,000,000 pounds of United States pork products were shipped into this country, during the first year of the war we had a surplus of pork products. It was only because we had an agreement with Great Britain that we were able to carry through that period with comparatively high prices for pork products.

Every problem that has confronted the government of this country in relation to farm products since the beginning of the war has been grappled with as soon as it has been brought to the attention of the government, and in most cases we have not waited for anyone to bring it to our attention but have grappled with it because we have discussed the problem in advance of its reaching its peak. On every one of these farm products, except wheat, we have been able to satisfy the farmers of Canada. I only need to say that the activities of this house during this session indicate clearly that the situation in relation to agriculture in Canada is very different to-day from what it was when this house met in any other session since the war started. We only had one persistent delegation this year asking for something more, namely, the wheat delegation, and they came asking what they did only because they are the only farmers in Canada whose price problems have not been grappled with successfully down to the present time. But just as soon as conditions under which we are labouring, with a world war on, are such as to make it possible these problems of the wheat farmer will also be dealt with to his satisfaction.

The correspondence which I have on my desk is full of appeals to the government to remember that Canada is at war, and these appeals come from Saskatchewan farmers, not from eastern industrialists, as some people would seem to imply sometimes is the case in relation to agricultural problems. These are from Saskatchewan farmers telling us to stay with the job—get food over to Britain—"and we will struggle along. If you have to assist us," they say, "assist us with acreage payments, and if after that you can give us something more for our wheat we shall be pleased to have it. But," they say, "the most important thing at the present time is to fight this war to a successful conclusion because if we do not we shall not be able to market any farm products to advantage for many years after this war is over." That is the important problem which is in the mind of the western farmer, and I should like to say to my hon. friends over in the far corner, more particularly my hon. friend who plays upon the name of Fair, I would say to him that any member of this house who carries back into western Canada the government's policy in relation to wheat and its policy in relation to other farm products can stand before any audience and successfully explain to the people there that this is the best that can be done under the conditions with which we are confronted in the Dominion of Canada to-day, and the best that has been done in an attempt to settle their problems at any time. We are taking every last dollar out of the treasury of Canada to deal with these problems which we feel it is safe to take at this present time.

We are saying to our farmers that just so soon as the allies have driven the foe from those areas which must be fed with wheat, just so soon as the gallant Russian armies have driven the enemy from their land and made it possible for us to help feed her people, the wheat of Canada will be made available with which to feed them. When that time comes, the government will be prepared to assist in the financing of the wheat to the extent they have assisted in the financing of the other farm products when they are in demand. When I say that we shall be prepared to assist, we are already assisting wheat farmers over a difficult period, and we shall be prepared to assist still more, to the same

degree of parity as we are assisting in connection with every product that is required in abundance in the prosecution of the war, and that is all staple farm products, excepting wheat.

Mr. HANSON (York-Sunbury): I do not want to break in on the applause that has greeted the minister's effort but I should like him to place that public document on the table. We have a right to have that done because the minister referred to it.

Mr. GARDINER: This is the only copy I have, but I will have a copy made.

Mr. HANSON (York-Sunbury): Would the minister lay it on the table to-night because hon. members who are to speak in this debate to-morrow will want to see it. We have a right to it.

Mr. GARDINER: I do not think you have a right to any speech that I may deliver anywhere because I quote from it.

Mr. HANSON (York-Sunbury): We have a right to it when a public document is quoted from.

Mr. GARDINER: It is not a public document, but I am prepared to lay it on the table when I have had copies made. I repeat, it is not really a public document at all.

Mr. F. W. GERSHAW (Medicine Hat): Mr. Speaker, I do not wish to repeat what has been stated so far in this debate and my remarks will be extremely brief. I just want to bring to the notice of the house some of the background of wheat production so that the lessons which have been learned through hard experience will not go into the discard but be of use in the future.

Long ago, in 1813, the hardy highland Scotsmen of the Selkirk clan came into this country by way of Hudson bay and settled in the Red river valley. In order to sustain life they started cultivating the land, and there started a struggle which has gone on to this present day. They came and had many difficulties to face. The winters were long and severe. The seed which they brought with them was unsuitable. The traders, the Indians and the wild animals were their enemies. They suffered from drought, grasshoppers and frost. Hardships indeed were their lot.

But toward the end of the last century conditions considerably improved. They secured hardier varieties of seed. There were improved milling processes, and great railways stretched across this continent running from coast to coast. A new era seemed to have opened. People came into the west from eastern Canada, from Great Britain, from every country of the world, and westward the tide of civilization moved, through the forests, across the swollen streams and over the great prairie region until there was land cultivated right within sight of the Rocky mountains.

In 1886 some 11 million bushels of wheat were produced. In 1900 that had grown to 44 million bushels, and we have heard that a year ago we produced 540 million bushels. All down from those days to the present day the farmers have had to struggle for a living, so that they have not had reserves. They have no landed estate to fall back upon but must live from year to year almost upon the earnings of each year.

Their struggles were first with the railways. The farmers drove long distances to sell their loads of grain and often had to take them back home again. They had difficulty in getting permission to sell across the platform. They had difficulties in getting storage. Then, when the elevator companies came they had trouble with them over grades, weights, overages, prices, the mixing of grain and things of that kind. The Manitoba Grain Act of 1900 solved many of their difficulties, but they were soon up against new problems. Those who were handling the grain united to protect their own profits, and so those who were growing the grain were also forced to unite in order to bring their bargaining power to bear at one point in order to survive. They did unite under such men as Peter Dayman, John Miller, John Sibbald, E. A. Partridge, and W. R. Motherwell. These men were leaders in that movement. They united the farmers into organizations and even went so far as to set up their own grain company, with their own elevators and mills, in the hope of cutting out the profit of the middleman and having the members of their organization survive. This brought them into sharp clash with the grain exchange, which had then been organized, and from that day to this the grain exchange has been very unpopular among the producers.

Then we have what was called the siege of Ottawa. In December, 1910, some eight hundred people came to this national capital. They marched, four abreast, to the parliament buildings on a cold winter morning; they entered the then House of Commons; they crowded the galleries; they filled the floor of the house. The Speaker introduced some twenty of them, and they told their grievances, the grievances of that day, to the members who were crowded in the chamber wherever they could find seats. They made out a good case and they convinced the people of the east of their difficulties.

Another striking event was the bringing to the west, I believe by various newspaper companies, of a man named Aaron Sapiro. Wherever he went he attracted great audiences, because he talked to them of the simple things which they could understand.

He told them of the results of the cooperative movement, how when he first went around on organization work, the children of the producers were in rags and appeared to be undernourished; but the cooperatives were started, and the next time he went around, their conditions had improved. The lesson of such experiences surely is that there must be an organization to protect the interests of the growers, that that organization must be strong, and that cooperation will give the maximum results; it will provide the producer with more nearly the value of his product than will any other form of organized effort. Surely in the future we must be guided by the experiences which were so hardly gained by those pioneers in the movement.

Until recent times it has been very easy to sell wheat. I well remember hearing a minister of trade and commerce say that our high protein content wheat would easily sell itself. But such is no longer the situation. Of the countries to which we sold wheat, some are now our enemies, others are overrun by our enemies, and our only remaining market is Great Britain, of whose purchases we have only a limited share. Therefore this government was placed fairly against the problem, would they protect and preserve the farming industry, or would they let it go into bankruptcy? If the farming industry failed, food products would not be supplied which might be badly needed in times of famine. If the farming industry failed, one and a half million people would be thrown on the relief rolls of this country.

The industry has a strong administrative organization; it is equiped with great terminal facilities at the head of the lakes; it has worked out a great transportation system. These things must be preserved; and this government decided to preserve the farming industry by support from the treasury. They supported the price of grain. As the minister has just explained, they put into operation the Prairie Farm Assistance Act. This is to some extent an insurance act. During the two years of its operation they have collected by their one per cent tax on all grain four million dollars from the farmers of Canada, and they have paid out eleven and a half million dollars. This assistance has helped a great many people, but the act is sadly in need of amending. Every day I get letters from people who are heart-broken because their bonuses fail to come through. Of course the farmers of the west are not chartered accountants, and in some cases the trouble may be due to discrepancies. But there are still farmers who have not received a bonus of any kind for the past year, and they are badly in need of it. Thus, the secretary of the United Farmers of Alberta at Retlaw writes:

We are about at wit's end to know what to do as every official surely knows about it by now.

Many people are in real desperate circumstances and it is soon time to be on the land again. . . .

Farmers still wait at post offices hoping for a payment to come and only to turn away bitter and discouraged, wishing the reduction scheme had have never been thought of.

Harry Malm,
Secretary.

I find that 90-cent price for wheat will automatically cancel the bonus which was formerly paid in cases of crop failure where the yield is from eight to twelve bushels per acre. This, it seems to me, will be a great blow to the people of the west. I want to take this opportunity to urge the minister so to amend the act that this shall not happen, because those small yields will not sustain a decent standard of living on the farm, and the Prairie Farm Assistance Act will not perform its function, will not give the help it should give, if that bracket is cancelled out.

The farmers of the west appreciate, I am sure, even the twenty-cent advance in the price of wheat. They appreciate these bonuses, although they are the cause of much heartache and disappointment because of their slowness in coming through. They appreciate the fact that speculation in grain will come to an end and that if the price of grain should go up, the farmers will be benefited. I am convinced that the Minister of Agriculture (Mr. Gardiner) and the Minister of Trade and Commerce (Mr. MacKinnon) have done their very best for the benefit of the farmers of the west, and that no ministers could have done more. But I do say that even these additions will be only an instalment of what should come. They will not relieve the distress which the wheat producer is having, and they will not equalize sacrifice in this country.

Recently the war loan was floated. The Minister of Finance (Mr. Ilsley) should be congratulated upon the splendid response to that loan. But what does it show? One city in the east contributed as much as two whole provinces in the west. That shows where the money lies, and it demonstrates that the pleas which we are making for improved conditions are justified.

We must remember that Canada is one of the democratic nations, one of the great nations, made great by the wheat producer and his contribution in making this country the bread-basket of the world. We are one of the united nations that are fighting against the barbarous nazis and the treacherous and ruthless Japanese, and we realize that Canada's contribution has been magnificent. We must make a balanced contribution through a programme which will defend our own shores and help in distant fields of battle, so that victory may come in the least possible time.

We must so act that those who are watching us in the present day, and those future generations which will look back upon what we have done, will be astonished at the greatness of our contribution. We must struggle and sacrifice and expand that contribution, and falter not—

> Lest a thousand ages find us
> Frustrate at our highest chance,
> Lest the hour of trial reveal us
> False to our inheritance.

On motion of Mr. Wright the debate was adjourned.

On motion of Mr. Mackenzie (Vancouver Centre) the house adjourned at 10.55 p.m.

Wednesday, March 11, 1942

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

AIR OBSERVERS' SCHOOLS—CIVILIAN CAPTAIN PILOTS

Mr. ROSS (St. Paul's):

1. Is a deposit reserve deduction of $50 per month made from salary of civilian captain pilots at air observers' schools?

2. If so, what is the reason for such deduction?

Mr. POWER: In so far as the Department of National Defence for Air is concerned:

1. Civilian pilots are classed as junior or senior pilots and the expression "Captain Pilot" is not employed.

2. These pilots are employed and paid by the civilian companies which operate the schools. As a guarantee against breach or default of the terms of the contract between pilots and the operating companies, the companies deduct and retain a deposit reserve from salary at the rate of $25 per month during the probationary period of from 3 to 6 months. At the conclusion of the probationary period, if the services of the pilot are satisfactory, his salary is increased and the reserve deduction is raised to $50 per month.

CAMP BORDEN AUDITORIUM

Mr. McGREGOR:

1. Is there a theatre or auditorium at Camp Borden?

2. If so, by whom was the building constructed and at what cost?

3. Who operates the said theatre or auditorium and what salary or allowance does he receive therefor?

4. To what organization or persons are the proceeds, if any, from the entertainments in this building, paid?

[Mr. Gershaw.]

Mr. RALSTON:

1. Yes, Lee Hall—a large auditorium used by all services at Camp Borden, accommodating 4,000. It was constructed by placing two authorized drill halls back to back and eliminating the centre wall. It is used by day as a drill hall, rifle range and for other military purposes and by night for recreation, entertainment and sports.

2. The building was constructed by this department by day labour at an approximate cost of $80,000.

3. It is operated by a committee of military officers under the camp commandant. These officers receive no extra pay or allowances for this work.

4. The proceeds are paid into a special fund called the "Camp Borden Special Fund" to be used for the general good of the camp as a whole. The money is used for the benefit of the men of the camp. In the first instance profits were used to pay for moving picture equipment and chairs. Payments have also been made for sports equipment and prizes, and current profits are being used to finance a camp bowling alley building and equipment.

DOGFISH LIVER AND OTHER FISH OILS

Mr. REID:

1. Did the administrator of oils and fats recently visit the United States in connection with the duties of oils and fats administrator?

2. Were conferences held with United States counterparts dealing with oils and fats administration in the United States?

3. Did the oils and fats administrator discuss the prices of dogfish liver and other fish oils with officials of the United States?

4. Has any information been submitted to the minister or the department by the oils and fats administrator regarding prices being paid United States fishermen for dogfish liver and other fish oils?

5. What salary is being paid to the oils and fats administrator?

Mr. ILSLEY:

1. Yes.

2. No. Informal conversations.

3. Yes.

4. No.

5. $4,500 per annum as chief research economist, the tariff board. No additional salary as oils and fats administrator.

CONTRACTS FOR STONE—ALBERT THIBODEAU

Mr. LACOMBE:

1. Did the Department of Public Works, during the years 1936, 1937, 1938 and 1939 award contracts for supplying stone for public works, to Albert Thibodeau, formerly of Sorel?

2. If so, how many such contracts were awarded?

3. In what undertakings was such stone used?

4. In what constituency were the works carried out?

5. What sum did the government pay for stone supplied by Albert Thibodeau?
6. Were such contracts awarded after calling of tenders?
7. If so, what are the names of those who submitted tenders and the amount in each case?
8. What was the trade or profession of Albert Thibodeau at the time such contracts were executed?
9. What is his profession at present?

Mr. MICHAUD:

1. No.
2 to 9. Answered by No. 1.

RADIO RECEIVING LICENCES

Mr. GRAYDON:

1. How many radio receiving licences have been purchased by the public since March 31, 1941?
2. What was the amount of the gross fees thus collected?
3. What was the total cost of the said collection?
4. How many persons have been prosecuted since March 31, 1941, for failure to purchase a radio licence?
5. How many were convicted and fined?

Mr. HOWE:

1. 1,590,275.
2. $3,842,451.50.
3. Commissions, $271,323.62; administration, $154,694.80. Total cost of collections, $426,018.42.
4. 4,545.
5. 4,184 convictions, 3,979 fined.

(Above figures are from 1st April, 1941, to 28th February, 1942.)

OTTAWA CAR AND AIRCRAFT

Mr. JOHNSTON (Bow River):

1. How much money, if any, has the government invested in the Ottawa Car and Aircraft Company?
2. How much money, if any, has the government loaned to this company?
3. Have any unfinished aircraft been removed from this plant since the beginning of the year 1940?
4. If so, how many and for what reason?
5. Has the government and/or the company sent any men from this factory to a factory in the United States of America?
6. If so, for what purpose, when, at what cost to the government, and what are such men doing at present?
7. What immediate step is the government taking to see that the skilled mechanics who have been laid off from the Ottawa Car and Aircraft Company will be available when work is provided?
8. When does the government anticipate work to be provided for these men?
9. When will this company be put back into full production?

Mr. HOWE:

1. Capital assistance was authorized by the Department of Munitions and Supply to the Ottawa Car and Aircraft Company for the procurement of machine tools, equipment and construction, for Canadian account, to the following amounts:

(a) For the manufacture of aircraft component parts—$634,600, of which $388,604 has been paid as of February 28, 1942.

(b) For other munitions—$560,680, of which $141,610 has been paid as of February 28, 1942.

The Ottawa Car and Aircraft Company has never been a prime contractor to the department on aircraft, but is and has been a sub-contractor to prime contractors to the department. The company is, however, a prime contractor to the department on munitions.

2. None.
3. No.
4. Answered by 3.
5. (a) No; (b) No information.
6. Answered by 5.

7, 8 and 9. The company has recently received orders for aircraft components as a sub-contractor, and has been awarded a large munitions contract as a prime contractor, which should relieve any unemployment of skilled mechanics in this plant.

To what extent the capacity of the company will be fully taken will depend upon its ability to fulfil present contracts and such other contracts as may be awarded to them.

ALASKA HIGHWAY COMMISSION

Mr. BLACK (Yukon):

1. What are the names of the Canadians and Americans composing the international joint commission appointed to investigate the various routes through Canada and Alaska that a highway from the United States of America to Alaska might follow?
2. Have that international joint commission and the government of the province of British Columbia been for the past three years exploring, investigating and surveying the possible routes to be followed by said highway, and for that purpose using airplanes, motor cars and railways and employing engineers, surveyors and others?
3. What expense has been incurred by the Canadian branch of said commission?
4. Were the Canadian members of said commission and the government of British Columbia consulted by the war committee of the cabinet and by the permanent joint board on defence before the route that it has been publicly announced said highway will follow, was decided upon by the war committee of the cabinet and by the permanent joint defence board?

Mr. MACKENZIE KING:

1. The names of the members of the British Columbia-Yukon-Alaska Highway Commission (Canada) are as follows:—Honourable Charles Stewart, Brigadier-General T. L. Tremblay, J. M. Wardle, Esq., Arthur Dixon, Esq., J. W. Spencer, Esq.

The names of the Alaskan International Highway Commission (United States) are as follows:—Congressman Warren G. Magnuson, Dr. Ernest Gruening, Donald MacDonald, Esq., J. W. Carey, Esq., L. W. Riggs, Esq.

2. The Canadian commission, with the co-operation of the government of the province of British Columbia, has since its formation undertaken exploration and reconnaissance surveys of possible routes of the highway through British Columbia and the Yukon Territory to Alaska, employing the services of engineers, and utilizing the transportation facilities mentioned.

3. $18,287.67.

4. The Canadian section of the permanent joint board on defence discussed the proposal of a highway to Alaska with the then premier and other representatives of the government of British Columbia in November, 1940. They also had access to both the interim report (April, 1940) and the final report (November, 1941) of the British Columbia-Yukon-Alaska Highway Commission (Canada). The subject was subsequently discussed with individual members of the commission and with qualified officers of the public service. The cabinet war committee acted on the recommendation of the Canadian section of the permanent joint board on defence, which recommendation was supported by the three service departments.

PRAIRIE FARM ASSISTANCE—E. SAMPSON

Mr. COLDWELL:

1. Did Mr. E. Sampson, Tuberose, Saskatchewan, receive any payments for the year 1940, under the Prairie Farm Assistance Act, on the following lands, south ½-section 4, township 23, range 15, W.3, and southwest ¼-section 9, township 23, range 16, W.3?

2. If so, how much?

Mr. GARDINER:

1. No.

2. Answered by No. 1.

*SERVICE ON CANADIAN SHIPS—PENSIONS

Mr. NEILL:

Whereas order in council No. 3359 of November 10, 1939, provides for pensions for persons suffering death or disability while engaged on any ship of Canadian registry or licence, while engaged in war with the German reich, will the government consider enlarging the terms of that order in council to cover all those now engaged in war with the Japanese nation?

Mr. MACKENZIE (Vancouver Centre): I will send the hon. member a supplementary order in council which fully answers this question.

QUESTION PASSED AS ORDER FOR RETURN

BRITISH MINISTRY OF SHIPPING IN CANADA

Mr. GILLIS:

1. Is the War-time Merchant Shipping, Limited, a Canadian owned company?

2. What relationship exists between the Canadian government and the British Ministry of Shipping in Canada?

3. What directional control has the Canadian government over shipbuilding, as related to the British Ministry of Shipping in Canada?

MOTIONS FOR PAPERS

BRUNO, SASK., POSTMASTERSHIP

Mr. BENCE:

For a copy of all correspondence, reports and telegrams in the possession of the Post Office Department, relating to the appointment of W. F. Hargarten to the post office at Bruno, Saskatchewan.

PENSION TRIBUNAL

Mr. HATFIELD:

For a return showing, (1) the names of all employees of the pension tribunal which was formed in Canada in 1930 and abolished in 1933; (2) the expenses of each, including travelling expenses, from the time the tribunal was established until it was abolished; (3) the compensation paid to the members and employees of this tribunal when it was abolished in 1933; (4) the name of the pension advocate, his educational qualifications and previous experience; (5) the previous pension experience of the members of the pension tribunal.

CERTIFIED SEED POTATOES

Mr. HATFIELD:

For a copy of all correspondence, telegrams and other documents exchanged between officials of the federal Department of Agriculture and all officials of the New Brunswick Department of Agriculture, relative to the sale, shipment and transportation of the Canadian certified seed potatoes during the year 1941.

Mr. HATFIELD:

For a copy of all correspondence, reports and other documents received from the trade commissioner to the Argentine and from Wilfred McCullough, assistant trade commissioner to the Argentine and Uruguay, regarding the promotion of the sale of Canadian certified seed potatoes during the year 1941.

Mr. HATFIELD:

For a copy of all correspondence exchanged between the Canadian shipping board and the Department of Trade and Commerce and any official of the New Brunswick government, regarding the transportation and the securing of ships for the shipment of Canadian certified seed potatoes during 1941.

BUSINESS OF THE HOUSE

EASTER ADJOURNMENT

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That when the house adjourns on Friday the 27th of March instant, it stand adjourned until Monday the 20th April next.

Motion agreed to.

WAR APPROPRIATION

UNITED KINGDOM FINANCING—WAR SUPPLIES, FOOD AND LOAN WITHOUT INTEREST

Hon. J. L. ILSLEY (Minister of Finance) moved that the house go into committee at the next sitting to consider the following resolution:

Resolved, that it is expedient to introduce a measure to provide:—

1. That sums not exceeding one thousand million dollars ($1,000,000,000) be granted to His Majesty towards defraying the expenditures that may be incurred during the present war for the purpose of enabling the government of the United Kingdom to purchase in Canada aircraft, tanks, mechanical transport vehicles, guns, ammunition and other munitions of war, foodstuffs, raw materials and any other commodities and supplies essential to the conduct of the war and the maintenance of the people of the United Kingdom, and to assist in enabling the government of the United Kingdom to defray other expenditures incurred in Canada for war purposes.

2. That the Minister of Finance may be empowered to accept from the government of the United Kingdom an obligation of the said government in such form and subject to such terms and conditions as the governor in council may determine for a sum of seven hundred million dollars ($700,000,000) in exchange for an equivalent amount, at an exchange rate of $4.45 to the pound sterling, of deposits in pounds sterling held in banks in the United Kingdom, the said obligation of the government of the United Kingdom not to bear interest until the termination of the war.

3. That the governor in council be empowered to make provision for the purchase of any or all unmatured securities or obligations of or guaranteed, either as to principal or interest or both or as to dividends, by the Dominion of Canada or of or guaranteed either as to principal or interest or both by the Canadian National Railways, which are now or may hereafter be held by the government of the United Kingdom.

4. That the governor in council be empowered to raise by way of loan under the provisions of the Consolidated Revenue and Audit Act, 1931, such sum or sums of money not exceeding in the whole the sum of one thousand million dollars ($1,000,000,000) as may be required for the purpose of defraying the expenditures and making the purchases referred to herein, the principal and interest of any such loan to be a charge upon and payable out of the consolidated revenue fund.

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

Motion agreed to.

NATIONAL DEFENCE

REQUEST FOR INVESTIGATION BY GENERAL MCNAUGHTON OF WEST COAST CONDITIONS

On the orders of the day:

Mr. H. C. GREEN (Vancouver South): I should like to direct a question to the Prime Minister. Press dispatches from Washington published to-day quote Lieutenant-General A. G. L. McNaughton, Commander of the Canadian Corps, as saying, in answer to a question as to the possibility of Japanese raids against the Pacific coast, "They undoubtedly will happen," and also as saying that he would not be the least surprised if the Japanese struck at the Panama canal or Alaska. Will the government send General McNaughton to the Pacific coast to investigate the effectiveness of Canada's defence measures there against not only raids but also an invasion attack? I submit that Canadians on the Pacific, whose lives are at stake, are entitled to have such an investigation made.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I might say to my hon. friend that I asked General McNaughton some days ago if it might be possible for him to visit the Pacific coast before he returned to Britain, but he felt that his engagements were such that it would not be possible for him to do it at this time. I do not know that I can give my hon. friend any further information.

Mr. GREEN: Might further consideration be given to the matter?

Mr. MACKENZIE KING: I am sure that my colleague the Minister of National Defence will be pleased to bring my hon. friend's request to the attention of General McNaughton. I am sure my hon. friend will be the first to realize that in reaching a decision General McNaughton's own views will have to be taken largely into account.

SUGGESTED NATION-WIDE ENLISTMENT CAMPAIGN PRIOR TO PLEBISCITE

On the orders of the day:

Mrs. DORISE W. NIELSEN (North Battleford): I should like to address a question to the Minister of National Defence (Mr. Ralston) based upon a report in the Ottawa *Evening Journal* of March 10, reading as follows:

Recruiting officers from all military districts, pooling experiences and discussing new ways

and means of maintaining the flow of men offering their services to the army for duty on any front, opened a two-day conference at defence headquarters Monday.

Defence minister Ralston and senior officers of the defence department addressed the conference.

My questions are: 1. Will the Minister of National Defence consider launching a nation-wide enlistment campaign to be carried on during the week or weeks preceding the taking of the plebiscite? 2. Since every member of parliament has gone on record as favouring maximum voluntary enlistment, would the minister consider obtaining the fullest participation of all members in such a recruiting drive, both in their own and other ridings?

Mr. SPEAKER: This is another question of the kind which should be placed upon the order paper.

Mr. RALSTON: The hon. member sent me a copy of the question, and I am quite prepared to make a reply, Mr. Speaker.

Mr. SPEAKER: I have been endeavouring to see that the order paper is taken advantage of and used. I think this question is in the same category as the one that was asked yesterday and which I said should be put on the order paper. While the minister is ready to reply to the question asked, I would prefer to see the order paper used as it ought to be. If a question is improperly asked on the orders of the day, it is equally improper to answer it. I would say that the question ought to be put on the order paper.

Mrs. NIELSEN: Rising to a point of order, Mr. Speaker, I should like to understand more fully the reason for your suggesting that my question should be put on the order paper. My understanding was that any question which dealt with future policy of the government was not a proper question to put on the order paper, and that is why I asked my question orally.

Mr. SPEAKER: The reason is that so many questions have been asked this session on the orders of the day which have led to supplementary questions and again supplementary questions, and question and answer assumed the form of a debate. Any question of the kind asked by the hon. member for North Battleford should be placed on the order paper so that the minister would have an opportunity to make answer if he were not prepared to answer it at the moment. I am endeavouring to see that so far as possible the questions asked on the orders of the day are questions of immediate interest which require an immediate answer. Such questions may properly be asked on the orders of the day.

[Mrs. Nielsen.]

PLEBISCITE ACT

METHOD OF APPOINTMENT OF OFFICIALS IN CONNECTION WITH TAKING OF VOTE

On the orders of the day:

Hon. N. A. McLARTY (Secretary of State): Mr. Speaker, I think perhaps a brief statement at this time about the method of appointing officials who are to act under the Plebiscite Act might be helpful to hon. members of the house. It will be recollected that during the course of the debate on March 3 the Prime Minister (Mr. Mackenzie King) stated:

> I can see no reason why some arrangement should not be made between the different parties in the house which would satisfy everyone that we desire to have a perfectly impartial administration of the machinery of the plebiscite.

I should like to outline the provisions that have been made to implement this undertaking of the Prime Minister. Pursuant to this undertaking I addressed a memorandum to the hon. the leader of the opposition (Mr. Hanson), the hon. member for Rosetown-Biggar (Mr. Coldwell) and the hon. member for Lethbridge (Mr. Blackmore). Certain amendments were suggested which the government is prepared to agree to. It might be of advantage to members of the house if I read the appropriate parts of the memorandum including such amendments as to the appointment of the necessary officials to carry out the provisions of the Plebiscite Act.

1. Returning officers. This is provided in section 8, subsection 1 of the act, which requires that the returning officers be appointed as at the 1940 election, save and except as replaced under section 8 of the elections act.

2. Deputy returning officers. Section 13, subsection 1 of the regulations provides that the deputy returning officers shall be appointed by the returning officers. It is suggested that their appointment should be made on the following basis: The candidate receiving the highest number of votes at the last general election shall nominate the deputy returning officers in the odd-numbered polling subdivisions, and the candidate of a different and opposed political interest receiving the next highest number of votes shall nominate the deputy returning officers in the even-numbered polling subdivisions.

In the event of the decease of the candidate receiving the highest number of votes, or of the candidate of a different and opposed political interest receiving the next highest number of votes, or his absence on active service, or if for other reasons it is impractical for him to act, or if he refuses to act, the president of the political association whom such

candidate represented shall nominate the deputy returning officers in the polling subdivisions.

3. Poll clerks. Under regulation 13, subsection 3, the poll clerks are appointed by the deputy returning officers. Consequently no special provision will be required in the case of these appointments.

4. Enumerators—urban polling divisions. Unlike the elections act, it is proposed to appoint only one enumerator for each subdivision; in the election two were appointed. In rule 2 to schedule A of paragraph 12 of the regulations a similar provision is made to that used in the appointment of deputy returning officers, namely: the candidate who received the highest number of votes will nominate the enumerators for every odd-numbered polling division, and the candidate of a different and opposed political interest receiving the next highest number of votes will nominate for every even-numbered polling division.

5. Enumerators—rural polling divisions. It is suggested that the same procedure be followed in rural polling divisions as in the urban ones.

I am advised by the hon. the leader of the opposition, by the hon. member for Rosetown-Biggar and by the hon. member for Lethbridge that this arrangement completely implements the undertaking given by the Prime Minister that there should be an impartial administration of the machinery to take the plebiscite vote.

Mr. NEILL: May I make a comment on the statement of the Secretary of State? His idea is to appoint the deputy returning officers half and half, in a non-partisan way. I would point out that that will work out very unfairly in some places. There are about 130 polls in my district and my opponent had a majority in only eight polls, yet he will appoint 65 deputy returning officers and the same number of poll clerks.

Mr. COLDWELL: Is it the desire of the government and the Secretary of State that in the appointment of enumerators and other officials the Canadian Legion shall be consulted and returned men given the preference?

Mr. McLARTY: I should quite properly have referred to that point, and I thank the hon. member for calling it to my attention. It is the thought and the desire that in the matter of appointments preference be given to the Legion and returned men generally.

Mr. MacNICOL: It always is.

Mr. HANSELL: May I ask what will be the procedure in appointing these election officials? Will the members appoint them, or simply recommend names to the returning officer?

Mr. McLARTY: The appropriate person, if he was the candidate who received either the largest number of votes or the second largest, will make the recommendation to the returning officer.

Mr. NEILL: For each poll?

ST. LAWRENCE WATERWAY

REFERENCE TO ARTICLE IN TORONTO "GLOBE AND MAIL"

On the orders of the day:

Mr. D. G. ROSS (St. Paul's): Mr. Speaker, I would direct a question to the Minister of Munitions and Supply arising out of inquiries and letters I have received with respect to an article appearing in the Toronto *Globe and Mail* reporting a speech of Doctor Thomas H. Hogg, chairman of the Ontario Hydro-Electric Power Commission, who it is reported reiterated charges made in an address last week that professorial and newspaper critics had delayed the implementing of the St. Lawrence waterway treaty. Mr. Hogg is reported to have said:

Statements have been made by professors of the three eastern universities, and quoted in the press—

Some hon. MEMBERS: Order.

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

CANADIAN WHEAT BOARD ACT

PROVISION FOR INCREASED RATE PER BUSHEL ON WHEAT DELIVERED BY PRODUCERS

The house resumed from Tuesday, March 10, consideration of the motion of Mr. MacKinnon (Edmonton West) for the second reading of Bill No. 13, to amend the Canadian Wheat Board Act, 1935, and the amendment thereto of Mr. Douglas (Weyburn).

Mr. P. E. WRIGHT (Melfort): Mr. Speaker, in rising to speak to the amendment moved by the hon. member for Weyburn (Mr. Douglas), and seconded by myself, I should like first to correct some of the statements that were made by the Minister of Agriculture (Mr. Gardiner) last night. He took exception to the word "parliament" instead of "government" in the wording of the amendment. We of this group gave very careful consideration to its wording, and the word "parliament" was used for two distinct reasons. We felt that such an important matter as the living, the bread and butter, of two million people

in western Canada, should be considered by the parliament of Canada as a whole, and that such a question should not be a political one. We wanted to take it out of the realm of politics and to have a discussion on the merits themselves. That is the main reason for the wording of the amendment. We had a very good precedent for that. During the last war Sir Wilfrid Laurier moved a similar amendment to the War-time Elections Act, to remove the question of conscription from the field of politics.

We of this group felt that these bills, after they had been introduced and given second reading, and the ministers had made their statements, should have gone direct to the committee on agriculture, and we made that suggestion to the whip. We felt that the bills were already late in being introduced because western agriculture wants to know immediately what the government's policy on acreage reduction is, since seeding of the next crop will commence within a very short time. We felt that a discussion of these bills should have taken place in that committee. But the government decided otherwise, stating that certain private members on their side wished to speak on the bills. We have had to abide by that decision. We hope, however, that when these bills go to the committee on agriculture, which is a new procedure in the lifetime of this parliament because the agriculture committee has not been called together during the last two sessions of the house, the government will not regard them as being as immutable as the laws of the Medes and Persians, but will be prepared to accept amendments because these bills vitally affect the living of a great number of people in our section of the country. We hope, therefore, that the government will be prepared to accept suggestions that we may make with regard to these bills because, in our opinion, they do not go far enough.

The main issue in these bills seems to be the establishment of an equality of living between the people of western Canada and the people engaged in industry, finance and other occupations in other parts of Canada, and producing other products than those produced in western Canada.

I am going to give the house a few figures which will prove, I believe, that the western producer is not getting a square deal. In the brief presented to the government by the delegation from western Canada which came to Ottawa about a month ago, it is stated that for the period 1926 to 1929 there was an average yearly income in western Canada of $530,000,000. By the year 1932 this income had decreased to $161,000,000; in 1939 it increased to $276,680,000; in 1940, to $369,750,000; in 1941, to $410,222,000; but it is estimated that this year it will fall to $338,000,000. According to figures given by the Minister of Agriculture in his address the other day, it is probable that these bills will assist in raising the income of western Canada to approximately $410,000,000; that is, $120,000,000 less than the income which was enjoyed by western Canadians during the years 1926 to 1929. We do not consider that this is fair. According to the bureau of statistics, twenty per cent of the Canadian population engaged in agriculture in western Canada received only five per cent of the national income. The purpose of these bills is to increase this income. We do not feel that the bills go far enough, and we hope that they will be so amended in committee as to increase the income of western agriculturists to at least a parity with that of the years 1926 to 1929.

The income enjoyed by people engaged in other lines of endeavour is certainly not in line with ours. The Ottawa *Journal* of March 10 reports the last annual returns of Montreal Cottons, Limited. It states that Montreal Cottons, Limited, reported net profit in 1941 of $606,071, which was equal to $13.75 per share on the common stock, compared with $4.48 a share in 1940. The gross profit was listed at $2,469,106, compared with $1,340,582 in 1940; the surplus being $276,071 this year compared with $132,567 last year. In addition to that, the company were able to increase the fixed assets by $300,000 owing to replacements of machinery. Mr. C. B. Gordon, the president, reported that the company, which is engaged in filling war orders, had not received a cent of assistance by way of capital expenditure from the government. They would not need much special assistance from the government when they could increase their profits on war orders in the last year three times and at the same time put away a depletion reserve, and also pay off a note which they had at the bank for $243,000.

I have here also some figures with regard to International Nickel company. In 1938 this company, after having paid all their taxes, laid aside their reserves and provided for all other items for which deductions could be made, reported a net profit of $48,684,167. In 1939 they made a net profit of $58,266,488. In 1940 their profits were $68,740,870. I have not the figures for 1941, but if they continue in the same ratio of increase as they have during the past three years their net profits for last year will be over $78 million.

Last year, the Minister of Finance (Mr. Ilsley), replying I believe to a question of the

hon. member for Acadia (Mr. Quelch), gave a statement which showed that 320 representative companies of this country made in 1940 profits five per cent greater than they made in the previous year. Therefore it would appear that industry is receiving at least a fair return; and it is a fair return which we are asking for agriculture in connection with these bills. We ask that it be given the same treatment as is enjoyed by other groups in this country.

I have here also the returns of the banks for the year 1940. It shows that their average profit, after provision for dominion and provincial taxes, was 13 per cent on their paid-up capital. The bank of Toronto made as high as 24·08 per cent; the lowest return was that of the Provincial bank, with 7·28 per cent.

Industry and finance alike are receiving very fair returns from their investments. We from western Canada contend that in these bills provision should be made for a return to agriculture which will at least equal the cost of production. The delegation which recently came here did not ask even that they should receive the cost of production. All they asked was that they should receive a parity price, and they left it to the government to decide, by reference to the bureau of statistics, what that parity price should be. They said:

> The delegation is also urging that the initial payment on all wheat delivered to the wheat board should be established at not less than one dollar per bushel basis No. 1 northern in store at the head of the lakes, and that a final settlement on wheat delivered to the wheat board should be made by deferred payments on the basis of a parity price above referred to.

When any manufacturing concern engaged in war industry makes anything for the government it receives payment immediately. The delegation which came from western Canada were not asking for that; they were asking for an initial payment, and that during the following twelve months the government should establish a parity price and pay them the remainder during that period. This, it seems to me, is a very fair request. As a matter of fact the Prime Minister (Mr. Mackenzie King), having listened to the delegation's representations, said that they were very fair and reasonable. Nevertheless in these bills which the government has introduced those requests have not been granted. The Minister of Agriculture last night tried to prove to us that agriculture was receiving a parity price. He enumerated various items and in the final analysis claimed that wheat was the only commodity on which we were not receiving a parity price. We agree with the minister that there is a parity price on animal products; none of us denies that. But the income of western agriculture is derived mainly from grain products; 75 per cent of the income of the people engaged in agriculture in the three prairie provinces is derived from the sale of grain products, and those products are not at a parity price to-day. All that agriculture is asking is that it be placed on an equal footing with other industries.

I was surprised at the statements made by ministers of the crown and by various members on the government side who have spoken; none of the members on that side tried to prove that the government were paying parity prices. The hon. member for Moose Jaw (Mr. Ross), speaking the other night, said he thought that the very minimum that should be given to the wheat growers of western Canada was $1.20 a bushel. The hon. member for Rosthern (Mr. Tucker) was also of opinion that the minimum price should be $1.20. The Minister of Agriculture in his statement agreed that a parity price was approximately $1.41 a bushel.

The hon. member for Wood Mountain (Mr. Donnelly), speaking the other day, made a statement with regard to the wheat pools which I should like to correct at this time. He said that the wheat pool during the year 1940 made a profit of $3,000,000. Let me point out that the wheat pool is a cooperative organization which does not make a profit. Whatever money is made by the wheat pool is returned to the men who patronize the pool. Let me give the house the figures to show exactly how $3,000,000 was paid out. It was our own money. The $3,000,000 was divided in this way: $1,100,000 was paid to the government in respect of the overpayment made in 1929 by the pools; $900,000 was returned as a patronage dividend to the growers who had delivered grain to the pool elevators; and $1,000,000 was used to build additional storage capacity at the head of the lakes in order to assist the government in connection with the wheat storage problem. I think the hon. gentleman should have been fair and given all the facts in that regard.

We feel that if the members of this government and of the house would give support to the requests that have been made by western agriculture, the western farmers would receive a fair return. The Prime Minister represents a western constituency, that of Prince Albert. In our view, if the Prime Minister really believed what he stated—that the requests were fair and reasonable—he could himself obtain for western agriculture what it asks. I attended a meeting last year in the city of Prince Albert in the Prime Minister's constituency. The largest theatre there was crowded and there were hundreds of people standing outside, listening to the loud speaker.

Mr. Wesson, president of the wheat pool, addressed that meeting and after the meeting questions were asked. Some members of the audience insisted that the question be put to some of the members who were on the platform, why the government did not give western agriculture fair treatment. On the platform were two members of the dominion house, the hon. member for Lake Centre (Mr. Diefenbaker) and myself, and the chairman finally turned to me and asked me that question. In reply I said I was rather surprised that the people in the constituency of Prince Albert should ask me such a question. They had elected the head of the government, and if they found that they had burned themselves they would probably have to sit on the blister until the next general election when they would be able to rectify the error themselves. I can assure you, sir, that is the attitude of western Canada. They are fed up and are desirous of getting a better deal than they have received in the past.

From western Canada we have also four other members of the cabinet—the Minister of Agriculture (Mr. Gardiner), the Minister of Trade and Commerce (Mr. MacKinnon), the Minister of National War Services (Mr. Thorson), and the Minister of Mines and Resources (Mr. Crerar). The Minister of Mines and Resources is to-day the pale shadow that remains of that shining Lochinvar who came out of the west during the last war to fight the battles of western argiculture, and who has now forgotten both the cause and the people for whom he came to fight. He sleeps peacefully to-day in the lap of fortune, and while he slumbers he dreams of that happy haven of rest, the other house.

The hon. member for Rosthern the other day spoke of the ingratitude of western agriculture to the men who came here to represent them. I was surprised that the hon. gentleman should raise that question. There are several members of his party whom agriculture placed on the bottom rung of the ladder of success and when they had climbed that ladder they promptly forgot agriculture. One notable exception is the Hon. Mr. Motherwell. We feel that if those members of the cabinet who represent western agriculture here were determined to get a fair deal for the western farmers, they could get it. In addition, we have thirty-four members supporting the government who belong to western Canada. If those members would stand up for the people they represent rather than for the party, they could obtain what western agriculture wants; and if the three sections together—the Prime Minister, the members of the cabinet, and the members supporting the government, assisted by the members on this side of the house from the west—made a united effort, we could get it without a doubt. But if we are to make a political football of this question, then I feel sorry for western agriculture.

Mr. WOOD: Would the hon. member consider the farmers of Ontario?

Mr. WRIGHT: The farmers of Ontario are getting a fair deal. If our income in the west were derived entirely from animal products we would not be doing any kicking to-day.

If this additional money were paid to the farmers of western Canada what would happen to it? To-day they could not spend it on cars. I believe that the largest portion of it would return, either directly or indirectly, to the government. Those farmers would use the money either to pay their debts or to buy war savings certificates or bonds. Just before I left western Canada, in one of the towns in my constituency I met the organizer for the last war loan and we were trying to organize a committee there. There were two or three farmers in town and we asked them to sit in on that committee. We asked one of them, a man who served in the last war and in the Boer war and who has a son serving in this war, if he could contribute to the loan. He said he had contributed to the last loan, but now his son was away, he had to hire help, and he could not see his way to contribute to this loan. "But," he said, "I will make you a promise. We have a delegation going to Ottawa in a week or two to interview the government in regard to the price of wheat. I promise you that if the government give the farmers of western Canada a dollar a bushel for their wheat next year, I will contribute to the next war loan every cent I make over the price we are getting this year." I think that is the sentiment of western Canada. The people of western Canada are willing to take their full share in the economy of this country provided they are given a chance.

I believe agriculture should receive the cost of production. There is a difference between cost of production and a parity price, but agriculture is satisfied and willing to accept to-day a parity price, and I believe that this is the very least that should be granted.

With regard to Bill No. 12, the wheat acreage reduction bill, I wish to make one or two observations. In the first place it reduces the payment made on the summer-fallow bonus from $4 to $2. What is the effect of that? Of the $30,000,000 paid out last year under the wheat acreage reduction appropriation approximately $22,000,000 was paid under the summer-fallow bonus. If you cut that in half, it means on the basis of last year that

there will be $11,000,000 less paid next year. If the government are going to reduce that payment—and I do not object to that particularly; I think probably it is a good idea—it should be paid by way of an additional bonus on coarse grains. They should increase the payment on coarse grains to $3 an acre, and also the payment on land placed under grass. I do not disagree with the principle of these bills; the principle is good, but it is a matter of adjusting them to meet the needs of western agriculture.

The hon. member for Wood Mountain stated the other night that the acreage basis was the fairest basis on which to distribute bonuses. I do not altogether agree with that. There are many people from the constituency of the hon. member for Wood Mountain who have moved to the northern part of Saskatchewan into the constituency which I represent. Many of those people are living on small farms; they took up bush homesteads and have some forty or fifty acres under cultivation. The wheat acreage reduction bonus does not mean a thing to them, neither does the Prairie Farm Assistance Act, because they always grow over twelve bushels to the acre, but their acreage is small. Neither does the other bill, which provides for a payment of 75 cents per acre on the cultivated acreage mean anything to them, because they have so little under cultivation. On the other hand, some of their neighbours who remained in the south of the province and to-day are renting large tracts of land are making a very fair thing out of this bonus. In fact there were two bonus cheques of over $10,000; five cheques for between $5,000 and $10,000, and 562 cheques for between $1,000 and $5,000.

Those people who have moved to the north of the province and are trying to get along now feel that they have a just complaint in that regard. They think that the acreage basis of payment is not in itself the fairest basis. They also believe that when a price is established for wheat and a delivery quota set, they should be allowed to make a minimum delivery of at least 750 to 1,000 bushels of wheat. They have to make a living; they have a small acreage; they often grow quite a few bushels per acre; but if they are allowed to deliver only ten, twelve or fifteen bushels to the acre off twenty acres, it means they have no income at all, whereas their neighbours who remained in the southern part of the province and have rented the land they left are able through this bonus to make a very fair living. Therefore I suggest to the government that some consideration should be given to those people in the northern part of the province who are farming a small acreage, trying to make things go, to stay off relief. It is only fair.

Coming now to the Prairie Farm Assistance Act, this, I believe, is one of the best measures which the government has introduced. It seems to have been fairly satisfactory over a great deal of the province. But again we in the north have certain complaints in regard to its operation.

Just last year we in the northeastern corner of the province had a frost which deteriorated the quality of the grain from No. 1 northern to No. 4, No. 5 and feed. Many men on these small acreages with a yield of from fifteen to seventeen bushels per acre received only 37 to 40 cents a bushel for that grain, and they could not qualify for assistance under the Prairie Farm Assistance Act; while other people, who grew eight to twelve bushels per acre, came under the act, and although their wheat graded No. 1 and they received more for it than the farmer who grew from fifteen to seventeen bushels per acre, they also obtained the payments under the Prairie Farm Assistance Act. So we believe that this Prairie Farm Assistance Act needs to be amended. I believe it will only reach its full effect when we get a parity price for agricultural products. If we in western Canada were receiving $1.40 a bushel for wheat, the parity price, there is no doubt in my mind that the Prairie Farm Assistance Act could be made self-sustaining. If on the basis of that price and of an average crop in western Canada the levy were made 2 per cent instead of 1 per cent, we would obtain $8,400,000 in an average year in that fund, and when coarse grain is also taken into consideration it would amount to $10,500,000. The largest total of payments made under the act in any year was, I believe, in the neighbourhood of $11,000,000. Therefore, if we in western Canada were receiving a parity price for our grain, the Prairie Farm Assistance Act could be self-sustaining.

Again we in the northern part of the province who seldom reap any of the benefit of the act believe there should be a variation in the premium paid under that act; that in that part of the province described by the Minister of Agriculture the other day, the triangle reaching from Morden up through Saskatoon to Lloydminster, back to Calgary and the south of the province, in that area where the risk is greater the premium should be greater. True, there are certain sections of that triangle where the risk might be so great that it could not be carried by the individual farmer. To a great extent those areas were placed under cultivation during

the period when the Dominion of Canada owned the natural resources. Many of those areas should never have been placed under cultivation, and thus the dominion as a whole is responsible for them. In those areas we feel the dominion should bear a portion of the cost. But in probably 25 per cent of Saskatchewan, 70 per cent of Alberta and 75 per cent of Manitoba, if we were receiving parity prices for our products the Prairie Farm Assistance Act could be made self-sustaining.

In conclusion, I would say we from western Canada feel that these bills can be made the basis for better conditions in western agriculture, and we are hoping that when they go to the committee we shall be allowed to amend them so as to obtain that result.

Mr. C. R. EVANS (Maple Creek): Mr. Speaker, the measures now under consideration, bills numbers 12, 13 and 14 which are before the house for second reading, and the amendment moved by the hon. member for Weyburn (Mr. Douglas), have a direct bearing on the wheat policy of western Canada. In the short time at my disposal this afternoon I wish to offer some observations on the agricultural policy of the government as it affects western Canada generally, and in particular the district from which I come.

When I first went to western Canada, wheat and land were the main sources of value. If a man owned land, he linked that ownership with the wheat which could be produced; and for years we were told that a granary of wheat was as good as a bank account. But down through the years, after passing the base years of 1926-29, we arrived at the point where our wheat was of little value. From that time to the present the marketing of wheat has been one of the chief problems with which the government has been faced. If we turn our minds back to 1930 it will be recalled that in that year we had a general election. I know that in western Canada the election was fought chiefly on the platform of markets, and the prices we were receiving for our agricultural products. I well remember the arguments put forward by the then leader of the official opposition, Right Hon. Mr. Bennett, when he told us that if he were elected to power he would blast his way into the markets of the world, and he would see that we got a reasonable price for our agricultural products. Well, the people of Canada took Mr. Bennett at his word on that occasion, and he was elected to power. What followed? In the thirties wheat went down in price. In 1932 it reached the lowest price in fifty years, and our markets kept dwindling. In 1932 Mr. Bennett's government did agree to pay a bonus on wheat, on a bushelage basis, and that bonus was fixed at five cents a bushel. The difficulty was that he gave to the man who had, but the man who had not got nothing. That is why we who come from western Canada believe that the fairer way to distribute money to the wheat growers of the west is on an acreage rather than a bushelage basis.

If we follow the history of wheat marketing through the thirties we find that in addition to paying a bonus to farmers, Mr. Bennett appointed a gentleman to take over wheat marketing in western Canada, and to attempt to stabilize the market. The gentleman appointed was Mr. John I. McFarland, and from about 1931 to 1935 he was given the position of grain controller, or whatever you wish to call him. He used the money of Canada on the grain exchange in some way to stimulate or to bolster the wheat market.

There was another election in 1935, and because of the policy of Mr. Bennett and his government with respect to the handling of wheat the King government was returned to power. Just prior to the election Mr. Bennett gave western Canada something it had been asking for for a number of years; I refer to the Canadian wheat board. I am not going to review the actions of the wheat board from 1935 to the present time, because that does not come within the subject matter I wish to discuss this afternoon.

During the years 1935, 1936 and 1937, western Canada came through a period of drought when stocks of wheat were considerably reduced. In 1938 we did produce a crop, and at the end of the 1938-39 crop year we had a small surplus. At the end of the 1939-40 crop year we had a carryover of about 283,000,000 bushels. But just prior to the new year, after the war broke out, the Minister of Agriculture (Mr. Gardiner) outlined his policy. The minister has been criticized by farm organizations throughout Canada, particularly by farm representatives from western Canada and by some of our farm organizations in the west, for not giving leadership to the farmer, and particularly the western farmer. Well, I recall a speech made by the minister in Winnipeg in November, 1939, when he clearly and distinctly outlined to the farmers of the west the agricultural policy which he suggested might be in the best interests of Canada's war effort, and which would supply the necessary food products Great Britain would need in great quantities in the coming war years. He told the farmers in the west at that time that in his opinion he did not think it wise to increase wheat production. He made it clear to them

that from the information he had, from the information obtained by grain handling organizations in western Canada, and from the information in the possession of wheat farmers of the west, in their own interests it was not wise to increase wheat production at that time, because the only visible market was in Great Britain, with only a small amount going to France. At that time he advised the farmers to increase their production of live stock, particularly hogs and cattle, and also of dairy products. He advised them that in order to supply the feed for increased hog, beef and dairy products production they would have to increase their production of coarse grains. In spite of the advice given by the minister at that time the farmers of western Canada increased their wheat production. What did we find? We found that at the end of the crop year 1940-41 we had the largest wheat carryover in the history of Canada.

In view of the storage capacity for wheat in Canada it was necessary that steps should be taken to reduce wheat acreage in western Canada. In the spring of 1941 the wheat acreage reduction plan was brought in by the Minister of Agriculture. Under that plan it was agreed that certain amounts would be paid for wheat acreage reduction. It was agreed that $2 per acre would be paid for coarse grains or grasses and $4 per acre for increased summer-fallow. The result was that last year the wheat acreage in western Canada was reduced by some nine million acres. The amount paid up to the present under this wheat acreage reduction plan amounts to some $26,000,000, and we are advised by the minister that this amount may possibly reach $30,000,000.

There has been a good deal of criticism of this wheat acreage reduction plan and the delayed payments thereunder, but judging from the figures given the other day by the minister of the outstanding accounts to be paid, and considering the large number of applications that have been made, I think it can be said that the administrative branches in Regina, Winnipeg and Edmonton have done remarkably well. I have had considerable trouble with some of these applications. Farmers have written to me wanting to know why the payments have been delayed, or why only partial payment has been made. Upon taking the matter up I found that it was not the fault of the office or the administration branch. When they were passed to the treasury board for payment and a check was made of the acreage statements of 1939-40, discrepancies were found and it was necessary to recheck. That is why payments have been held up.

A delegation came to Ottawa about a month ago from western Canada. It was sponsored by the Saskatchewan wheat pool, of which I happen to be a member and of which I was at one time a delegate. The petition presented to the government by this organization asked for certain specific things, the main one being an increased price for wheat. For a number of years this question has been one of the major topics of discussion in this house, and no doubt there will be more discussion on it this year. I happened to be at the meeting when the president of the wheat pool presented his brief to the Prime Minister and his government. I think that brief was very fair. I had the feeling that he made such a splendid impression upon the government in presenting it that most of the representations he made would receive fair consideration, as I believe they have. After listening to the review of that brief given last night by the Minister of Agriculture I think it will be agreed that most of the things asked for have received fair consideration from the government. I know from experience that when petitions are presented to the government it is not expected that everything asked for will be granted. I do not think this delegation expected that they would get what they asked for one hundred per cent.

I was rather disappointed, however, in the price set for wheat. I had the feeling that when we were satisfied to accept a certain parity level the government would at least meet our request for dollar wheat. When the Minister of Trade and Commerce spoke following the presentation of the brief he told the delegation that he thought their request was fair and reasonable. I think every member of the government who was present that day thought that the request for dollar wheat was fair and reasonable. However, the government in its wisdom has decided that for this year the initial payment for wheat will be 90 cents a bushel f.o.b. Fort William, with participation certificates.

I look upon the amendment moved by the hon. member for Weyburn (Mr. Douglas) as a political argument. I think he is taking this stand in order to put the members from Saskatchewan on the spot. I am not going to be put on the spot because I intend to vote against the amendment. I have evey confidence that in the crop year 1942-43 there is a possibility of an increase in the price of wheat in the world markets. We should consider the position of our sister dominion, Australia, whose trade routes to the mother country have been cut off. We should consider the submarine menace in the Atlantic which cuts off the trade routes to the mother country from the Argentine and south

America. Canada is in a very favourable position. As the armies of Great Britain start their offensive and redeem some of the conquered countries of Europe, food will be necessary and there will be a demand for Canadian wheat. They should have it even if we have to give it to them.

I would be quite prepared to go back home to my people and advocate that they accept this 90-cent initial payment, tell them that that is all they are going to get because we are going to send our wheat to the people of the European countries once they are released from the iron heel of Hitlerism. But I do not think that will be necessary. I think arrangements will be made to finance the purchases of wheat that Canada will be able to supply. That is why I am going to vote against the amendment and for the bill.

There is another thing upon which I should like to touch for a few moments, namely, the Prairie Farm Assistance Act. This act has been praised by some and criticized by others. Personally I look upon the Prairie Farm Assistance Act as one of the best acts ever placed upon our statute books so far as the assistance of agriculture in distress is concerned. Members who have been in the house longer than I have and those who were associated with Saskatchewan during the drought years from 1930 to 1939 will remember the vast sums of money which this government asked parliament to vote to assist the prairie provinces through that calamity of a succession of crop failures. A great deal of credit is due to the Minister of Agriculture for his foresight in bringing into being what is known as the Prairie Farm Assistance Act which is coming before parliament for amendment this year. A certain clause of that act prohibits the governor in council, if wheat is 80 cents or above that price, between July 31 and November 1, from declaring the year an emergency year. In view of the fact that the price of wheat has been increased from 70 to 90 cents, the Minister of Agriculture is amending this clause in the Prairie Farm Assistance Act to make it operative regardless of the price of wheat. There is another section of the act which I should like to see amended; it pertains to the 80 cents a bushel clause, where the price is above 70 cents a bushel from July 31 to November 1, then 10 cents an acre is deducted from the payment in the 8 to 12 bushels per acre category. The proposed change in the initial payment automatically wipes out the 8 to 12 bushels category.

In the past three years there have been two complete years in which the Prairie Farm Assistance Act has been operative. For the information of the members I should like to put on *Hansard* the figures, in the form of a short table, showing the 1939-40 payments by provinces and by different categories:

Prairie Farm Assistance Act
Payments in 1939-40

	Townships	Bushels per acre	Amount paid	Number of farmers receiving payment
Alberta	395	8–12	$1,132,658 00	9,726
	147	4– 8	376,485 17	2,021
	42	0– 4	91,790 23	395
	584		$1,600,934 39	12,142
Manitoba	91	8–12	$ 403,703 08	4,269
	51	4– 8	374,631 03	2,251
	14	0– 4	90,608 00	440
	156		$ 868,942 11	6,960
Saskatchewan	621	8–12	$2,726,220 63	21,984
	302	4– 8	1,860,939 25	9,444
	260	0– 4	2,847,264 39	8,034
	1,183		$7,434,324 27	39,462

Summarizing these figures we find that in the 8 to 12 bushels category, payments were made to 35,979 farmers, or 61 per cent of the total farm population of the three prairie provinces receiving assistance under the act. In the 4 to 8 bushels category, payments were made to 13,516 farmers, and in the 0 to 4 bushels category, payments were made to 8,869 farmers, or 6½ per cent of the total number of farmers receiving assistance. Those two categories together, 4 to 8 bushels and 0 to 4 bushels, comprise 32½ per cent of the total number of farmers receiving assistance.

I have another table covering the same categories for the crop year 1940-41. I will give just the total amounts by provinces and the total number of farmers receiving payments. In the province of Manitoba, 6,368 farmers received $611,393.20. The greater portion of that was in the 8 to 12 bushels category, where we had 5,068 farmers receiving $453,465.44. In Saskatchewan we had 40,848 farmers receiving $5,598,002.93, and again we find that the largest payments were in the 8 to 12 bushels category, where 25,588 farmers received $2,460,479.15.

In the province of Alberta 4,356 farmers received $502,805.27; and again in the 8 to 12 bushels category 3,148 farmers received $290,143.41. We find that in the whole three provinces, in the 8 to 12 bushels category we had 33,804 farmers or 70 per cent of the total. In the 4 to 8 bushels category we have 13,412 farmers, or 22 per cent; while in the high payment bracket or the low yield bracket we find we have only 4,356 farmers, or 8 per cent of the total. I believe, Mr. Speaker, with these thoughts in mind you will readily understand why we should like to see the Minister of Agriculture amend the clause so that the 8 to 12 bushels category will come into operation regardless of the price.

In closing I just want to say that I appreciate what the government has done for us in the way of bonuses. Just before the delegation came from the west I sent out about 250 letters, which covered my entire constituency, at least one letter going to each poll, and in reply I received some 153 communications up to the fourth of March; since then a considerable number have come in. Examining those 153 replies, I found that the acreage bonus policy with a 70-cent payment for wheat was favoured by 87 farmers; the increased price for wheat and the continuation of the Prairie Farm Assistance Act was favoured by 53 farmers; and the higher price for wheat only was favoured by no more than 12. For that reason I urge, as I have always done, that in the portion of the province of Saskatchewan from which I come the acreage bonus payment is better for our farmers than an increased price for wheat alone.

Mr. DOUGLAS (Weyburn): Could they not get both?

Mr. EVANS: Yes. I am going on to that. As regards the brief as presented by the wheat pool, many of those from whom I have received letters mentioned that they had signed this petition, but some of them said they signed it to get rid of those who were circulating it, and others said they signed it because they believed it was the best policy, or an improvement on the existing policy for western Canada. But the larger percentage of the letters I received favoured the acreage bonus.

For that reason I intend to support the bill, and I ask the minister to give earnest consideration to an amendment of the clause which would exclude a payment in respect of yields of eight to twelve bushels.

Mr. J. H. HARRIS (Danforth): Bills Nos. 12 and 13, which are now under consideration, bring forcibly to our attention the fact that our economy as far as agriculture is concerned has not been just what it might have been, inasmuch as we have probably given too much attention and consideration to the matter of wheat, and not enough to that of coarse grains. The problem is brought before us in striking fashion as we look at the world picture and observe what has happened recently, more especially within the last twelve months. When one thinks of coarse grains one thinks also of live stock, and in thinking of live stock one thinks of the products which come from live stock. We are now confronted with the fact that twenty-five per cent of the oils or fats normally consumed by Canadians has been shut off from us. These products, as the house knows and as the minister has pointed out, originate largely in Pacific countries such as Sumatra, the Dutch East Indies, Java, Macassar, and the Straits Settlements. Not only are we shut off from these extra supplies, but all the democratic countries are in the same position. It is well known that even the United States, with a factory consumption per year of three million tons of these products, have found it necessary to import, on an average during the past few years, 1,200,000 tons annually, although they are supposed to be large producers of these commodities. We have lost our source of supply in the Pacific; we cannot expect to import from the United States; we cannot of course expect to receive any from Great Britain. Therefore, in my opinion, before we are much older we shall be compelled to ration not only butter, lard, and all oils and fats, but perhaps soap as well.

I think the Minister of Agriculture (Mr. Gardiner) left a false impression in the minds of hon. members when he intimated that this situation will be met to a degree by an increased production of flax. In a moment or two, after a general statement, I shall make some observations with regard to flax. In my opinion it is too bad that during the last twenty years we have not given more attention to flax. We produced it in 1920 to the extent of 203,000 tons, and in 1924 pro-

duction rose to 242,000 tons, although it was not all milled here; a good deal was exported. The reason for the increase in production from 1921 to 1924 was, as we all know, a spiral of prices which brought flax on one occasion as high as $6 per bushel. But we allowed production to slide down and down, and the highest figure reached in the next fifteen years was in 1930, when 127,000 tons were produced. From that time it slipped until, according to the statistics provided by the world market headquarters in London, England, we raised in 1937 only 17,900 tons, or one-tenth of what was produced in 1920.

This trend was brought forcibly to the attention of the present administration on many occasions, particularly in 1937. At that time those interested in flax presented by an amendment their representations in respect of application No. 99, covering the general oils and fats situation. Attention may have been paid to this; consideration may have been given to it; in fact the tariff board brought down a recommendation, but it was never acted on in any of the categories having to do with the supplies required of oils and fats of all kinds for consumption in Canada. To my mind that was a mistake. Our house should have been put in order at that time. If the representations which were made in 1937, 1938 and 1939 had been put into effect, instead of our importing, as we did in 1936 and 1937, very large quantities of flax from the Argentine and very large quantities of linseed oil from Europe, we would have found ourselves in a much better position to-day with regard to flax production in Canada. That, however, is water under the bridge. In placing these few remarks on *Hansard* now, I am anxious to help the general economic condition in Canada by putting the position on the record and trying, by suggestion, to improve the situation as a whole.

As regards the $2 an acre bonus for those lands which go into oats and barley, I suppose the pegging of flax at $2.25 a bushel will take care of flax, and with that feature of this legislation I am entirely in accord. I admit that it is perhaps rather not of the kind we were accustomed to twenty or thirty years ago, but times are changing rapidly and we must be up to the minute and take care of ourselves as we go along, even though some of the legislation may sound more or less socialistic. I was never in favour of the $4 an acre blackout, as it has been described, and I should like to see the $4 added to the $2 to help out the general situation in order to get more oats and barley grown and fed, more flax grown, and more linseed oil produced in Canada. Anything along that line will meet with my approval.

I see my hon. friend the member for Essex South (Mr. Clark), who will follow me, and while he is pondering what he will say I will go further and make this suggestion. I should like to see more soya beans grown in the hon. gentleman's delightful county with a view to helping out this situation. I hope he will refer to that question when he speaks.

For generations flax was used only in the industrial trade in connection with paint and linoleum. That was all it was used for, except that the oil cake from it, constituting 66 per cent—that is to say, of 100 pounds of flax pressed, 66 pounds of cake are produced along with 34 pounds of oil cake—was used as foodstuffs for horses and cattle. But the oil itself is the product we are interested in, and that is the reason why the minister has passed the order in council setting the price at $2.25 a bushel. The product itself previously did not find its way into edible channels; but Russia, far in advance of Canada on this hemisphere, in the handling of this product, has been for the last three or four years and now is putting the major portion of its production of linseed oil into edible channels. It can be done, though it is a difficult process. As a matter of fact, you can take almost any oil—including castor oil—and put it into edible channels. In the case of castor oil, the usual effects from the oil can be offset if it is properly refined and hydrogenated, and you would get the food value from it. The danger with linseed oil is the same as with castor oil, but that is just by the way. Linseed oil can be used as an edible base for shortenings, making up the deficiency of animal fat and oil requirements for the Canadian people.

Whether or not it is economic is beside the point. We have an emergency on, and economics disappear a little when you do not have what you must have in order to sustain the Canadian people. But that will readjust itself in due course. Flax at $2.25 a bushel would not be economic if we were discussing the matter of turning it into an edible product and putting it on the market. It would not be economic in the ordinary sense of that term, but during the war the product ought to find its way into these channels. It certainly would not be economic to put it into the soap kettle, because in the first place its saponification value is low—193—whereas the saponification value of coconut oil is 245; in other words, 245 pounds of linseed oil are necessary to make the same amount of soap

as would be produced from 193 pounds of the other commodity. The result is that the economics are away out of balance.

Prior to the war coconut oil was half the price of linseed and therefore it was much more out of balance. Nevertheless, we have an emergency on, as I say, and this emergency accounts for at least 25 per cent of the consumption of these products in Canada. Not only is that the condition, but there is not much hope of supplementing the supply which we previously imported. Even last year we were fortunate. During 1941 we brought in, to be exact, 190,578,000 pounds of vegetable oils largely from those countries now controlled by Japan, and I congratulate the administration upon having allowed that great quantity to come in. But from these same areas, during 1942, we shall get scarcely any. Presently I shall recite the places from which these products came.

I am supporting this part of the legislation which has to do with the production of more flax. The other misapprehension under which the minister appeared to be labouring when discussing the matter was that the flax perhaps was coming from Japan or the Pacific. As a matter of fact, the world's flax production to-day is in the hands of the Argentine. In the last year for which we have any record, 1937, 1,857,000 tons were produced by the Argentine for export, and the only other supply of any consequence was from the British Indies, 220,000 tons. Therefore the Argentine and this western hemisphere are self-sufficient as far as flax is concerned.

Coming to the individual countries which make up the western hemisphere, we are very far from being self-sufficient, and we must approach this task immediately to get more flax production. Last year, Canada produced 6,500,000 bushels of flax. Our milling capacity has been allowed to go to seed—or perhaps the proper expression would be to go to rust—since 1920. It may be quite true that to-day the milling capacity for handling flax is at the limit, as the minister said last night in his remarks; but that can be expanded. They are only working six days of the week, and other pressing or auxiliary equipment is lying idle in other parts of Canada. Perhaps I might say to my soya bean friends that expellers and presses are to-day idle. There are no soya beans to work on. To some of my friends from British Columbia, I would say this with regard to the expellers in Vancouver, to take care of the copra pressing activities there. I congratulate not only the people in British Columbia but this government and the men who had enterprise enough to put money into that industry to produce a supply of coconut oil in that province, but their supply of copra, since the war situation has become so serious, is crippled and partly shut off. They have their own steamers running from British Honduras bringing a certain quantity of supplies. They have chartered their own vessels, but whether the shipping board is allowing them to use those vessels I am not sure. The point is that the expellers at present idle in the great copra plant in British Columbia can very readily be turned over to the production of linseed oil from flax.

Time is the essence of these things, but we must take time by the forelock if we are to get results. Therefore I am going to suggest that first we encourage our Canadian farmers to grow every possible acre of flax this year. Do not be satisfied with production of a miserable 6,500,000 bushels; I hope we shall have a production of from fifteen to twenty million bushels this year. I am going to enlarge on why I hope that will be done. This is partly economics. The minister will agree that the mills which are handling the flax are paying $1.64 a bushel as the ceiling price for the product. This is subject to correction, when I have a chance to review what the minister has had the full advantage of, but some of the rest of us have not, namely the report, concerning the Saskatchewan farm delegation which on February 2 and 3 made some requests with regard to flax. Someone else will have to deal with this because I have had a chance only to glance at it—and I say we should have had a chance to see it as soon as it was printed.

Mr. GARDINER: I have not yet had a chance to read it myself.

Mr. HARRIS (Danforth): I appeal to you, Mr. Speaker, to let me have the floor without interruption.

Mr. GARDINER: The hon. member should not make statements of that kind.

Mr. HARRIS (Danforth): When I proposed to ask a question which I thought would even help the minister I was amazed to find that an experienced parliamentarian such as the Minister of Agriculture would not give way and give me the floor—

Mr. GARDINER: I gave you the floor last night.

Mr. HARRIS (Danforth): With a certain Napoleonic stare he remained on his feet and I was not given an opportunity to help the general situation which he was discussing. Therefore to-day I ask him to keep his seat until I have finished.

Mr. GARDINER: I just wanted to say that I have not yet read that report myself.

Mr. HARRIS (Danforth): I have not had the advantage of reading it, but I can see a double merit in increasing the production of flax this year. Suppose our mills are able to handle only four or five or six million bushels and we produce twenty million and we pay the farmers $2.25 a bushel, we have an export market open to us in the United States which to-day is riding at $2.46 a bushel, a difference of twenty-one cents. That twenty-one cents on an extra five or ten million bushels which we might produce in Canada would go a long way to make up the differential between the ceiling price of $1.64 which now obtains at the Canadian mills and the $2.25 which the government is setting as the ceiling price. Therefore, as far as that is concerned I will waive all the ideas that I have had in days gone by in regard to socialistic legislation if I am satisfied with this legislation, namely the pegging of the price at $2.25 which is something like twenty-one cents on the average or 10 per cent more than the average price which obtained in 1926 to 1929. In regard to this commodity I waive my objection to paying higher than the average price in order that more of the product will be produced in Canada.

The minister was also good enough to suggest that other ways and means might be found to help out the production of oils and fats in this country. Putting a floor under oats and barley and paying a bonus of $2 ought to bring about an increase in the production of oats and barley. If it does not, I should like to see the administration come along with some other legislation which would further stimulate the production of oats and barley. The reason why I want that is that it will find its way into live stock, and live stock will find its way into the production of oils and fats and butter products, fats of a kind that people in this northern hemisphere should be consuming rather than the other kind.

Before developing that section of the argument let me call attention to the condition which obtained prior to 1941. This has been put on the record many times in different ways, even though last year I was scolded a little by one of the ministers who had charge of this department for putting it on each and every year. Let me give a few figures taken from the review of oil and fat markets, F. H. N. Faure & Company, of London, England, showing the position our democracies find themselves in by reason of the loss of these Pacific countries to the axis powers.

In 1937 the world received from the Philippine islands, Java, Macassar and the other Dutch East Indies 945,000 tons of these commodities. In the same year the democracies mostly and the rest of the world received, largely from the same countries, including some from west Africa, 322,000 tons. In the same year the world received palm oil from Sumatra, which is now out of the trade, to the extent of 196,000 tons; Malaya and the west coast of Africa, 244,000 tons.

Then in the matter of peanuts and ground nuts the production is tremendous. Shipments from India alone were 849,200 tons, apart from that which came from China, amounting to 44,641 tons, and from some other Pacific coast countries.

That gives some conception of the magnitude of this trade. It emphasizes the position that Canada is in when I say that, in my opinion, unless the large quantities now in tanks and stored and in bond in Canada help us over 1942, by 1943 we shall be short at least 200,000,000 pounds. That shortage consists largely of palm oil; secondly, peanut oil and, thirdly, coconut oil. The importation of palm oil in 1941 was 70,000,000 pounds; of peanut oil, 23,000,000 pounds, and of coconut oil, 31,000,000 pounds for soap, 17,000,000 pounds for refining and 22,000,000 pounds for crude. In 1943 we shall be without that product. Therefore it is necessary that everything possible be done in 1942 to get ready to meet that situation.

We now come to cottonseed oil. The United States will need their cottonseed oil to supplement their own supply, and even though we imported last year double what we imported in 1939, namely, 22,431,000 pounds, we shall have to import a good deal more. There is one other source from which we can get cottonseed oil, namely Egypt and the Soudan, and it is to be hoped that that channel will be open to us, but it is a rather precarious guess whether we shall be able to get cottonseed oil from Egypt to help make up our supply.

So, visualizing the difficult position we are in I am going to make one or two suggestions as to what might be done, apart from supporting this legislation.

The natural place for Canada to get its supply is from its own production. In my opinion we must increase in every possible way the production of butter in Canada, otherwise our Canadian population is not going to have enough fat to maintain not to say their high standard of living but their strong physique and the reputation they now enjoy of being strong men of the north. If we do not get butter we shall not be strong; we must get it. If helping with the growing

of coarse grains is going to produce butter, then by all means let us have more coarse grains.

What applies with regard to butter applies equally with regard to another natural product I have in mind. We must produce more lard. The shortage of lard is really going to be very severe. How can we meet that shortage? In my opinion the Wiltshire bacon business has had one drawback in Canada's national economy. Perhaps for the benefit of the newer members of the house I might be pardoned if I were to say that the opinion I have expressed is based on some experience. When in 1921, I first had the privilege of coming to the House of Commons, the men on my farm were feeding over 1,000 hogs, and we sent over 4,000 thousand hogs a year to the Buffalo and Toronto markets. That was my chief line of endeavour, and main line of business—and I have often wished that I had not left pigs for politics. However, when I express my opinion it is based on experience which, although a little old-fashioned, will do no harm. Coarse grains fed to hogs after they pass the Wiltshire weights produce more pounds per day per hog than at any other time during the hog's existence.

Mr. WOOD: But it takes more feed.

Mr. HARRIS (Danforth): Yes, it takes more feed. We are paying the bonus to produce more feed, so that when we produce more feed we shall produce more pork; and producing more pork we shall produce more lard; and producing more lard we are producing more pork of a kind and quality which will keep this country in a better position.

Mr. CRERAR: An interesting sequence.

Mr. HARRIS (Danforth): It is easier to put it on the pig which has passed the 150-pound mark than at any other time.

I can quite understand the situation which has developed. It was brought about, in days gone by, through Danish bacon competition. We permitted ourselves to bring the weight of our hog from 240 pounds down to 220 pounds, and then we streamlined them and brought them down below 220 pounds. I believe we have now brought them down to about 190 pounds.

But I can remember the day—yes, even before the first great war—when the most money was made by farmers in Ontario out of feeding hogs up to 280 pounds. Many a car it has been my privilege to take to the Buffalo market, and sell at 280 pounds. I am speaking about the days back in 1910, 1911 and 1912. I agree that perhaps at the present time that is not sound practice, but I state the fact only to show how we have brought the weight of the hog down from 280 pounds to a little more than 180 pounds. Each time we brought in legislation of a kind which streamlined the hog we cut down the production of lard. Each time we exported our Wiltshires to the United Kingdom we cut down the production of lard in Canada.

If the ratio of hog production is going to find its way to the market on a basis of 20 per cent for home consumption and 80 per cent for the export market, then I say that on that product which is offered for home consumption and is marketed by the farmers in Canada we should permit marketing at heavier weights than obtain at present, or than are required for Wiltshire sides. Take off the penalties placed on heavy hogs, so that they may be used to produce more lard.

I would go into conference with those in Canada who are charged with the responsibility of producing Wiltshire sides to see if we could not convince them to raise their restrictions with respect to the streamlining of hogs. I would ask them to be a little more generous with us in the supply for the home market, in order that we in turn may feed more coarse grains and develop the hog industry back from the place it is now reaching, so that it may attain a more sensible basis.

Why do I say this? I say it because the people of Canada are going to be short of fats for their own consumption. If any hon. member is sufficiently interested in the subject I would ask him to refer to page 555 of the evidence given before committee No. 2 on war expenditures on August 13 last, and take special note of the evidence given by Mr. Bedard with respect to exhibit 34. He pointed out that at the present time 20 per cent of the pork products being consumed by the Canadian people was leaving the point of production in a condition which was quite easy to handle. It was leaving in the dressed carcase state. It was brought to the butcher shop or the point of subdivision, and prepared for consumption in a most wasteful and extravagant manner. That is to say, 20 per cent of hog products which are used for home consumption reached the distributors, and in the process of preparation to be placed on the individual's table they were wasted to the *n*th degree.

This evidence is all on record, and any members of committee No. 2 on war expenditures who had the privilege of being in Toronto last civic holiday will recall that it was shown that forty-two pounds out of each one hundred pounds of pork should, in the interests of national economy, never have left the abattoir or packing plant. The forty-two per cent should have been left there and used by the plant for edible purposes. The whole

one hundred pounds should not have been shipped, thereby bringing about a condition whereby forty-two per cent could not be used economically.

Again addressing myself to the problem before us, namely that of feeding more coarse grains to produce more pork and, second, the production of more fats and oils to supply our Canadian people, may I point out that it requires 34,000 hogs to feed 100,000 persons a year. If the recommendation of August 13 last with respect to the saving of ten pounds of fat per hog were put into effect, there would be a saving of 340,000 pounds on the basis of feeding 100,000 men. So there is one saving in connection with the feeding of our armed forces, the subject the committee had under review. I must say, however, that I am hesitant about interfering in any way with the rationing of the armed forces. It is difficult enough now to keep them all satisfied. They are chafing at the bit in Britain, as we know; and they are chafing at the bit here. Give them everything that is coming to them, or that is produced in the diet of Canada, and let us have more legislation which will curtail wasteful handling of these products by the consuming civilian public. By doing so we shall meet two or three objectives.

If we recognize that, as I have pointed out, in the feeding of 100,000 men about a third of a million pounds of fat could be saved, it is then only a matter of mathematics to see that we have here the possibility of picking up 40,000,000 or 50,000,000 pounds of that shortage we had previously formed the extravagant habit of supplying from the Pacific area, now dominated by Japan.

What obtains with regard to pork also obtains in even greater degree to beef. The same observations I make concerning the use of pork in the armed forces I make with regard to beef. Give the boys in uniform everything that they want, all the choice cuts they want in order to keep up their morale, but bring the Canadian population in civilian life to a sense of the position that we are in. The minister referred last night to some of the more expensive cuts. We should just see to it that the civilian population are curtailed in their consumption of expensive cuts, and one place to start is right here in the matter of supplying of beef in carcase to the butcher shops or to individuals who have the responsibility of cutting it up for consumption among civilians.

On the basis of 100,000 men in the armed forces, it is figured that at least twenty-five pounds of beef fat per carcase could be saved in edible form. This would amount to 1,250,000 pounds a year. However, not all this quantity would go into the edible channel; we are not sure that all of that portion does go into the edible channel in spite of the fact that our salvage people are trying to do the best possible job.

[Mr. Harris (Danforth).]

In conclusion, I urge that every possible acre be put to flax. We should try to produce 20,000,000 bushels of flax this year. I urge that the pressers of Canada be asked to increase their pressing equipment and the production of linseed oil. I urge that the national research council see to it that as much work as possible is done in connection with the refining of this product and hydrogenation so that more oil may find its place on the market to help ovecome the shortages we are going to experience in 1943. I urge that consideration be given to the recommendations to be found in the exhibit to which I made reference. I urge members of this house to study one of the most vital problems that is going to affect our Canadian economy during the next two or three years and get our house in order.

I have not a great deal to say about soya beans because I imagine the hon. member for Essex South (Mr. Clark) and the hon. member for Kent (Mr. Desmond) perhaps know more about this product that the rest of us. But in case they say nothing about it, I do hope that something definite is done to increase the production of soya beans in this country. Apart from the economics themselves, the thoughts that run through my mind have to do with the emergency.

Last but not least, perhaps the most important of all, let us produce more butter. Let us get the churn going on the back verandah and see to it that more dairy butter is produced. We should not have a haphazard guess that we are producing a hundred million pounds a year; we should know that we are producing that amount of dairy butter. Let our farms be self-sufficient in the production of their own butter rather than going to the creameries. I am ready to support legislation of any kind which will help us in a sensible and practical way out of the difficult position in which we find ourselves.

Mr. S. M. CLARK (Essex South): Mr. Speaker, the hon. member for Danforth (Mr. Harris) made reference to soya beans. I had not intended to say anything about this product, which happens to be raised in part of the district I have the honour to represent, but perhaps a few remarks would be in order.

The island of Pelee, the most southerly island in Canada, raised about 125,000 bushels of soya beans last year. This particular crop seems to be well adapted to that island and it has been quite satisfactory from the financial

point of view. We are having difficulty with the ceilings which have been placed on crops grown in that part of the country. There may be an opportunity to increase tremendously the acreage of this crop in the counties of Essex, Kent and Lambton, but this will depend somewhat upon any ceiling that may be applied to this particular product.

My main purpose in taking part in this debate was to refer to the remarks of the hon. member for Rosthern (Mr. Tucker). He tried to paint a picture of rural conditions in Ontario, but I find I must disagree with him to some extent. At the outset I want to say that neither the rural districts nor the members from Ontario are antagonistic to the welfare or well-being of the people of western Canada. We may disagree with certain policies put forth by the government; we may disagree with the way in which they are applied and the extent to which they go, but we are really interested in their problems and hope that they will appreciate ours.

Last night the Minister of Agriculture (Mr. Gardiner) said that the Canadian wheat farmer received more for his wheat than the United States farmer. The hon. member for Rosthern hoped that the western Canadian farmer would be treated as well as the farmer on the other side of the line.

Mr. DOUGLAS (Weyburn): The United States farmer gets $1.16 per bushel.

Mr. CLARK: I should like to give some comparisons. In my district thousands of farmers raise burley tobacco. I should like to quote some of the prices received. We are forced to operate under ceilings, not floors. The average price paid for United States burley tobacco, of which millions and millions of pounds are raised, was $29.50 per hundred pounds. The average price received in Canada was $14.50, just fifty per cent of the United States price. According to the statement of the Minister of Agriculture it would appear that the wheat farmer is not being treated too badly as compared to the Ontario farmer.

In the years 1938, 1939 and 1940 the average base price for this kind of tobacco was 12½ cents per pound. This was increased this year three-quarters of a cent per pound. A ceiling has been placed on the manufactured product and on raw leaf sales by brokers, so that we are now at a standstill so far as increases for burley tobacco are concerned. This increase is just six per cent. The farmers in western Ontario must compete with industrial labour which is receiving from 75 cents to $1.25 per hour, and our labour costs for this coming year will be 100 per cent greater. Under the ceiling limit, we are receiving only six per cent more than we received on the average in 1938, 1939 and 1940. What is happening in this district is that the tobacco growers are leaving their farms to take jobs in industry. Thank goodness there are some industries to which they can go. They are working in industry and their farms will no doubt lie idle.

I should like to make another comparison. We have a sugar beet industry in western Ontario. We have factories which have been operating for some twenty years, and under the present price scale only ten per cent of the contracts have been signed. So that the prospects are that two factories will lie idle during this coming year. Contrast that with the wheat situation. Every table in Canada is affected by the shortage of sugar. We have a large surplus of wheat, and I am glad of that, but we are now going to pay the wheat growers another bonus of $56,000,000. The prospect for increasing the production of sugar is not very good. I will admit that the Minister of Finance made a gesture in that regard, but it is not enough, and as I said before, with a ceiling on sugar and a shortage of sugar in Canada, two sugar factories in Canada will likely lie idle this year. That is one spot, one section of land, that could be used for the production of soya beans, and there may be some acreage of the burley tobacco growers available to put into soya beans if the ceiling does not put them altogether out of business. The ceilings have put the farmer of Ontario in a position where he cannot operate, and therefore it is difficult for me to go back and ask that same farmer to contribute to a bonus to the western wheat grower to the amount of $56,000,000.

I could deal with other crops in Ontario. Take the bean situation. The British government, I believe, have agreed to take so many thousand tons of beans; but in what way has this deal been consummated? It is left to the British government and the dealer to work out the price that will be paid to the farmer. It may be only 50 cents a bushel. These, Mr. Speaker, are the conditions under which the Ontario farmer is working at the present time.

Take potatoes. We all know that a ceiling has been put on potatoes. If I remember rightly, last year the hon. leader of the opposition (Mr. Hanson) spoke at some length of the position of the potato growers in his province. We have no floor for any of the products we produce in Ontario, but we do have ceilings, and they are putting us in a pretty bad position. The hon. member for Moose Jaw (Mr. Ross) in his address on

Monday last said something about ceilings. I shall quote what he said at page 1135 of *Hansard* of March 9:

> Ceiling prices were set for the purpose of preventing sudden rises throughout the country, and inflation; and I think we all admit that it was a proper thing to do. But when these prices were frozen proper regard was not had for the relation between the price of one commodity and the price of another.

I entirely agree with that statement. Further on he said:

> There has been no ceiling price set on wheat, which I think is a perfectly proper position for the government to take at this time.

Again he said:

> As a western representative I must say this, that I will not accept, nor will the people of western Canada accept, any economy for western Canada based on 90-cent wheat at Fort William, or anything near that figure, for the duration of the war.

I believe at another point in his address he mentioned $2.21 as the price paid for wheat in the last war. I think he has discussed that at different times in different addresses. Compare that with the position of our farmers in Ontario. We are tied up with a ceiling and no increases at all. Our labour costs are going up; there is no ceiling on labour for our farmers of Ontario. The Minister of Agriculture last night hoped, and perhaps intimated, that in another year things might be better for the marketing of wheat; that, at all events prices might be expected to go up after the war. That is the prospect for the wheat grower; but the Ontario farmer is tied up with ceilings which make it impossible for him to make a profit and in some cases impossible to operate at all. The wheat grower has no ceiling. He has a floor, and the price of wheat will no doubt go on up. I may say to the minister that the sugar interests in this country and perhaps the tobacco interests might be able to pay their share of the bonus for western wheat. More of the spread between the retail price and the price that is paid to the farmer for sugar and tobacco should go to the farmer. If the minister feels that that is the situation, I suggest that he immediately start a sweeping investigation so that we shall know whether we are absorbing more of the ceiling than we should.

In our district, tobacco and tomatoes have been two of the war's casualties. We receive no assistance from consolidated revenue fund, and if there is too much tobacco produced, we have to reduce our acreage. The largest tomato processing plant in the British empire is located in my riding, but it has been running at only a fraction of its capacity because its product is not able to get into Great Britain. I believe that this year more of their products will find their way to Great Britain, which will make quite a difference to the growers in that district.

These are the conditions under which the farmers in my district are working. Price ceilings are putting them in a position where they cannot possibly go on. I have raised tobacco for twenty-three years but I could not possibly go to my banker this year and say: My labour costs will be up 100 per cent, and my increase in price has been over six per cent over the last three years; I am tied up with a ceiling. It means just one thing, Mr. Speaker; I have to quit raising tobacco. That is the position we are in, and I hope that the member for Rosthern, in painting his picture of agriculture, will appreciate that we have some problems too in Ontario.

I should like to mention another thing which is thrown up at me quite often by the people of my district. There are dozens of farmers in my district who have five or ten or fifteen acres of land; I suppose the average sized farm in my district is fifty acres. They say: "My goodness, have we got to contribute to a bonus to a man who farms 1,000 acres, or 1,500 or 4,000 acres?" These are some of the problems, Mr. Speaker, which I want to place before the western members. They are problems we have to face when we go back to our constituents.

There should be a change in the ceilings on different commodities in this country. Each change, I know, has to be worked out carefully, but I think it would receive the support of the people of this country. My constituents, who are in the difficulties I have mentioned through price ceilings, and who really need some assistance, would perhaps be prepared to say to the Minister of Agriculture, after reading the statement of the Prime Minister yesterday about Hong Kong: We need some financial help, but use the money instead to buy bombers and fighters and tanks to defeat the enemy. Perhaps those two trainloads of farmers who came from western Canada—I had the privilege of talking to a number of them; they are real Canadians—will be inclined to say, after reading the statement about Hong Kong, "Take that $56,000,000 and buy fighters and bombers and tanks." I hope so.

In conclusion, I would just say that the Minister of Agriculture has a pretty tough job. He has been trying to meet in the best possible way the problems which arise all over this country. I have disagreed with him on a number of occasions, but I still think he is the best man for the job, and he should have our support.

Mr. ROBERT FAIR (Battle River): Mr. Speaker, I have only a few remarks to make, and perhaps I would not have said anything but for some of the statements made by the Minister of Agriculture (Mr. Gardiner) last evening.

Before proceeding to deal with his address I want to comment briefly on statements made by the hon. member for Wood Mountain (Mr. Donnelly) as reported in *Hansard,* page 1182. The hon. member, apparently, has farmed the farmers of the west long enough, and is now preparing for that "old man's home." I wish him a lot of happiness there, but I also want to contradict his statement in connection with the wheat pool, which was referred to this afternoon by the hon. member for Melfort. The wheat pools, as was pointed out by the hon. member, are a cooperative organization and as such distribute their earnings among the members of their organization.

With regard to the question of wheat, before going any further let me make my position quite clear. On various occasions, in addressing meetings in my own constituency, I have told my people that the Minister of Agriculture (Mr. Gardiner) has a tough job; so has the Minister of Trade and Commerce (Mr. MacKinnon). I think that they, as well as other hon. members, including myself, realize that they are in a minority in the cabinet and that most of their colleagues are not disposed to support them in an attitude which is favourable to western agriculture. I have on all occasions at my meetings placed the case of the government and of agriculture fairly before the people, and then I have taken my directions from the people who sent me here. I feel that nothing fairer than that can be done; and if I did smile a little last evening when the minister was trying to put over a set of figures in connection with the price of wheat, I believe I was not the only one who did so; although those who are bearing the expense of the policy have no reason to smile, because it is costing them quite a lot of money.

Dealing with flax, the minister had this to say, at page 1205 of *Hansard:*

> Being of that conviction, I believe that, before this war is over, wheat will be in exactly the same position as flax has arrived at during these past twelve months. I do not know whether it will be during 1942; I do not know whether it will be during 1943; but I am as convinced as I am that I am standing on the floor of this house to-night, that at some time before the end of the war every bushel of wheat that is grown in Canada between now and the end of the war will be required to feed the people in Europe and in some other parts of the world.

I have no doubt at all about that. I believe the minister is quite correct. The one thing to which I take objection is that people will have to go on growing wheat for far less than the cost of production, just because they are assured that at some time, sooner or later, that wheat will be needed. If we take an overworked horse this past fall and say, "Now, horsie, you live on till next summer and there will be lots of green grass", and give him nothing to eat until that time, that horse won't survive the winter. In the same way, unless farmers get a better deal they cannot go through this period in the condition they should be.

The minister went on, to say a little later, at page 1206:

> There are a number of these letters, and everyone of them says in effect: "We would like to have $1 a bushel for wheat, but if giving us $1 a bushel for wheat is going to lessen the amount which has been paid to us under acreage payments during the past two or three years, then we would prefer that you retain the acreage payments."

The hon. member for Wood Mountain and the hon, member for Maple Creek (Mr. Evans) expressed the same opinion in the house yesterday and to-day. Some other hon. members spoke to the same effect, but the two whom I have mentioned were speaking for their own particular parts of the province of Saskatchewan, where, apparently, very little crop is grown; and a better price for wheat where no grain, or very little grain, is grown, does not matter much compared with the benefits which the farmers derive from the bonuses as they are set out at the present time.

The minister went on to give us particulars in connection with municipality No. 8, south of Weyburn. In that municipality the average yield is ten to eleven bushels per acre. Under wheat acreage reduction they received $37,592; as prairie farm assistance bonus, $8,986; prairie farm income, $23,779, and they are yet to receive some $7,800 under the wheat acreage reduction regulations. In that particular municipality they marketed 234,000 bushels, for which they received about fifty cents a bushel, or $117,000. I figured that out, and it comes to approximately 83 cents per bushel, including the bonuses. That is as near as you can get to the upper edge of a district where they can receive the bonus—ten to eleven bushels per acre.

Mr. GARDINER: That is 83 cents at the farm.

Mr. FAIR: The report does not say that it is at the farm.

Mr. GARDINER: Well, it is at the farm.

Mr. FAIR: The minister then referred to municipality No. 135. There the payments

under wheat acreage reduction amounted to $91,000; payments under prairie farm assistance were $160,996, and the prairie farm income payments were $47,000, making a total of $298,996. In this case they averaged 1·2 bushels per acre, which, provided there were no weeds or other trash would be just about sufficient for seed. So that in this case an amount of approximately $300,000 is charged up against payments of wheat where not one single bushel of wheat was delivered.

In my argument on Monday evening, I insisted that the fact that an amount equivalent to 90 cents a bushel has been paid out is no indication whatever that the average farmer growing wheat receives anything like 90 cents. In this case, if you had a surplus of one bushel you could place an amount of approximately $300,000 against that one bushel which is grown in all that territory.

Or let us take the case of another municipality which averaged 14 bushels per acre. In the past fifteen years wheat has averaged 14·3 bushels per acre. In that case they would get approximately fifty cents per bushel. But where they averaged ten to eleven bushels, as I said, in the first case, they would get the prairie farm assistance bonus. If, however, they cut down their wheat acreage they would get a certain amount under that bonus which would increase the price to some extent; then again they would get the prairie farm assistance income. In a municipality such as No. 8, where practically no grain is grown, the price might be set at $300,000 per bushel.

That would prove conclusively that the average farmer does not receive approximately 90 cents to $1 a bushel for his wheat. I was criticized for bringing up some of the points made by Mr. Evans, administrator of the AAA, when he spoke at the Chateau, but I do not feel that I did anything wrong at that time because I think it would be a good thing if the government could get a lead. I do not care where it comes from, whether from the United States or from any other country. Go to Russia, if you like, and take that system if you can get results, because that is what we are concerned about. When in my opinion there were good points in Mr. Evans' address I considered I was jusitfied in bringing them to the attention of the minister, because I thought they would be helpful. The minister, at page 1209 of *Hansard,* says:

> I have only one further statement to make. Suggestions have been made continuously since this war began that we ought to do what they are doing in some other country. Only last night we had all this reviewed again and we were told that we should have an AAA in this country. We were told that we should be doing some of the things that they have been doing in the United States. I would suggest that since 1938 the United States have been trying to get their wheat acreage down. Between 1930 and 1938 they increased their wheat acreage from 66 million acres to 81 million acres, and then they evolved a policy. That policy at the present time is simply this: When a man cuts down his acreage to the extent that the government say he ought to, they will lend him 98 cents a bushel on his wheat. They have made loans covering considerable amounts which I have in the records here. But if he does not cut down his acreage in accordance with their request, they will lend him only 49 cents on his wheat. In other words, in the United States they lend a man twice as much on his wheat if he obeys the request of the government than if he does not. It is true that this has tended to set a floor under wheat of 98 cents a bushel in the United States provided the farmer does what the government ask him to do.

The minister made the point that between 1930 and 1938 they increased their wheat acreage from 66,000,000 acres to 81,000,000 acres. That is a very good showing, and at the present time they are paying a price which is far higher than we are getting here, although we are trying to cut down our production. After all, the main reason why farmers are growing wheat is to get a living and, if they can, to make a little profit on that which they grow. In the United States they have grown more wheat and at the present time they are receiving a far better price than we are getting. And the minister says that it is not coming from the government, that the wheat is sold there for food purposes, some of it being kept in storage. At present we are receiving approximately fifty cents at the farm.

Mr. GARDINER: Before my hon. friend leaves that point I wonder if he would allow me to make a correction in a statement I made last night. I did not have the figures before me. I made this statement:

> There is not as great a difference between the two as some would indicate, but we got a greater wheat acreage reduction in one year, I believe, speaking from memory, than the United States government got in all the years they have been operating their policy.

I should have said that we got a greater proportionate wheat acreage reduction, and I should like to put the actual figures on the record along with what has just now been said. The United States acreage in 1937 was 81,000,000, and in 1938, 79,000,000. They have reduced their acreage down to 63·5 millions, and that is all actually seeded acreage. Their harvested acreage was 69·9 millions, or practically 70 millions, in 1938, and their harvested acreage last year was 54 millions. So that the

word which I should have used last night was "proportionate", in order to conform with what I said in the last sentence, namely:

They started with 81,000,000 acres and we started with 28,000,000 acres.

That will make the statement correct.

Mr. FAIR: Going further, the minister said, at page 1210:

That being the case, I should like to suggest to hon. members that I think it would be much better if we all went out and told the people what we are doing in Canada instead of telling them what they are doing in the United States. Despite what they are doing in the United States, the farmers of Canada have really been getting more for their wheat than the farmers in the Argentine and Australia. Of course, there are reasons for that.

I do not see any reason in the world why we should be compared with the farmers in Australia or in the Argentine. Looking at prices, I find that they are getting a far better deal because they are getting a far better price, and their exchange must be taken into consideration. In the United States, I would point out, $1.17 or whatever they get there will buy much more than the same amount will buy here, because we have tariffs to contend with, which are built up for somebody else's benefit and at our expense. I wonder why he did not compare us with the Chinese who live on rice instead of taking Australia and the Argentine. As regards talking about what they are doing in the United States, I have on different occasions quoted prices that are paid by other countries to the farmers, but I brought the United States policy to the attention of the minister in order to have him take it into consideration. I do not want him or anybody else to get the impression that I am trying to destroy Canada for the benefit of the United States. Canada is my country, our country. We get our living here and it is up to us to do everything possible to build up our agricultural policy and give everyone what is coming to him. The minister says, as reported at page 1211:

We only had one persistent delegation this year asking for something more, namely, the wheat delegation, and they came only because they are the only farmers in Canada whose problems have not been grappled with successfully down to the present time. But just as soon as conditions under which we are labouring, with a world war on, are such as to make it possible the problems of the wheat farmer will also be dealt with to his satisfaction.

On more than one occasion I have heard the Prime Minister (Mr. Mackenzie King), as well as the Minister of Finance (Mr. Ilsley), say that anything that is physically possible will be made financially possible. I think the Minister of Trade and Commerce (Mr. MacKinnon) and the Minister of Agriculture will admit that we are not receiving a parity price for wheat. The minister tried to justify that stand last night because the producers of beef and pork, cheese and some other commodities were getting above parity. In order to justify that he brought in a little table in connection with the price of round steak, rib roast and so on. But I would point out to him that the farmer does not benefit from this because there is a great and unjustified spread between the price paid to the farmer and the price charged the consumer at the butcher shop. So that the figures given on page 1204 do not build up the case which the minister is trying to make. Referring to certain letters from the province of Saskatchewan, he says at page 1211:

These are from Saskatchewan farmers telling us to stay with the job—get food over to Britain —"and we will struggle along. If you have to assist us," they say, "assist us with acreage payments, and if after that you can give us something more for our wheat we shall be pleased to have it."

I have pointed out on different occasions that we have here two distinct problems rather than one. A policy that is good and will satisfy the growers in the country where they produce a few bushels on so many thousand acres is no good for those in other parts where they get more than twelve bushels to the acre. In the part where they get around twelve bushels we have to have a higher price per bushel, otherwise we cannot revive.

An hon. MEMBER: Survive.

Mr. FAIR: Yes, but I say "revive" because a great many farmers have come to the point where they have to revive before they can go on and take their proper place again.

In regard to the hon. member who sought to make some play upon my name of "Fair" I will just say that that is the name given to me, and having been given that name I am no more responsible for being a farmer and living under that name than is the hon. gentleman who is named "Gardiner" for being Minister of Agriculture. Perhaps, if the minister's name had been "farmer", he would have a very tough time to get through unless occupying the position of Minister of Agriculture and farming the farmer instead of farming the land. About the best thing he does in this house is to smile.

I have on different occasions, whenever the opportunity presented itself, risen in my place here to state the needs of the farmers and business men who sent me here. I have done it as truthfully as I am able. I have lived in the west almost thirty years, got my living mainly on a farm, except the times when I have had to go out and do other work to keep the sheriff from taking my farm and

home away from me. I do not think I should be accused of doing something of which I am not guilty.

Mr. GARDINER: I meant it as a compliment.

Mr. FAIR: Yes, I took it that way; I thank you.

The minister continued, as reported on page 1211:

I would say to him that any member of the house who carries back into western Canada the government's policy in relation to wheat and its policy in relation to other farm products can stand before any audience and explain to the people there that this is the best that can be done under the conditions with which we are confronted in the Dominion of Canada to-day, and the best that has been done in an attempt to settle their problems at any time. We are taking every last dollar out of the treasury of Canada to deal with these problems which we feel it is safe to take at this present time.

I again suggest and recommend to the Minister of Agriculture and the Minister of Trade and Commerce—who is always happy and smiling, I am glad to say; I expect he gets that smile from the bright Alberta sunshine where he has lived so long—the statement of the Prime Minister and of the Minister of Finance that whatever is physically possible must be made financially possible. Why should the grain growers of Canada be expected to produce at below cost while manufacturers, labour, banks, industrial institutions of practically every kind, are getting fat on the profits of this war? Is there any justice in it? Can the government claim that they are playing fair with the farmers of western Canada? I say no. I have gone out and told my constituents that they are not getting a square deal; I do not deny that, and I intend to go back and tell them still that we are not getting that to which we are entitled, and to keep on fighting until we do get a square deal. That is my programme; I do not deny it, and I think if other hon. members would do the same thing we might have a little more success than in the past.

We have an institution, the Bank of Canada, for which the Prime Minister got a great many votes in 1935. That institution could perform for the government of Canada services that are now being rendered by the chartered banks, for part of which they averaged twelve per cent in 1941. Therefore I say there is no reason why a parity price or cost of production should not be guaranteed to the farmers of Canada. I am not speaking for the farmers of western Canada alone, because I realize that farmers in other parts are also in difficulties, but I say there is no reason why farmers all over Canada should not have at least parity price or cost of production.

On motion of Mr. McNevin the debate was adjourned.

At six o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, March 12, 1942

The house met at three o'clock.

RIGHT HON. RAOUL DANDURAND

TRIBUTE TO THE MEMORY OF THE LATE LEADER OF THE GOVERNMENT IN THE SENATE

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, as hon. members are aware, shortly after sundown last night the life of the Right Honourable Raoul Dandurand, leader of the government in the Senate, came to its earthly close. Less than twenty-four hours before, Senator Dandurand had been present in the Senate conducting its proceedings, as he had been wont to do in all but five of the last twenty years. Of the Senate itself, he had been a member for forty-four years. In years of service, he was, in fact, its oldest member. Indeed, in years of continuous service, he was the oldest living member of the parliament of Canada.

On November the 4th of last year Senator Dandurand celebrated his eightieth birthday anniversary. Some weeks later, when parliament had reassembled, this anniversary was made the occasion of a presentation ceremony in the Senate, at which felicitations on his long and distinguished career were extended to him on the part of leaders and members of both houses of parliament.

Despite his great age, the Senator possessed a remarkable vitality of body and mind. He had suffered no infirmity in the course of his life. In the early morning of yesterday he felt as well as ever. At breakfast he experienced a sudden seizure of pain, which, however, did not last for long, but left him very weak. He rested throughout the day, at times conversing with his accustomed keenness of expression, with those at his side. The end came peacefully. One might truly say it was a fitting, indeed a beautiful close to a long, a great and a good life. Having sat in the Senate since the closing years of the last century, Senator Dandurand was in himself a link with the past —with the earlier political life of Sir Wilfrid Laurier, and of those others who have laboured to establish firmly the foundations of our nationhood. Like Sir Wilfrid, he strove, in public and private life alike, to promote under-

standing and cooperation between the two great races of the dominion, and on this basis to preserve and strengthen the bonds of a common nationality.

Although his own career, and many of the traditions with which it came to be identified, had its origin in an earlier generation, Senator Dandurand did not live in the past. He took a keen and active interest in the questions alike of peace and of war. To the deliberations of the war committee of the cabinet he brought a wide knowledge of international affairs, and a strong sense of practical reality. To the last, his life was characterized by a spirit of helpfulness. As a former Speaker of the Senate, as government leader in that chamber for many years and as a member of the administration, he gave exceptional service to Canada.

Senator Dandurand was first and foremost a citizen of Canada, but he was also, in larger measure, I believe, than any other Canadian of his generation, a citizen of the world. His deep and abiding affection for the people of his native province and of his native land did not preclude a kinship with mankind which so broadened his interests as to embrace other lands and other races. There will be those in many other countries, as well as throughout our own, who will deeply regret the passing of one whom they had come to regard as a personal friend and as a tireless worker on behalf of international goodwill.

For six years in succession, Senator Dandurand represented Canada at the assembly of the League of Nations, and in 1925 was elected president of the league assembly. During practically the whole three years that Canada was a member of the league council, he was a Canadian representative on the council. At the league he won for himself an enviable international reputation as an authority on social questions and as a champion of the rights of minorities. The record of his devoted labours at the league is a part of the history of international affairs.

It has been well said of Senator Dandurand that there was about him an innate distinction of manner, combined with a gentleness of spirit which made him one of the beloved as he was one of the most familiar figures in Canadian public life. He exemplified in his career the finest traditions of public service, and indeed helped, by precept and example, to add to them. His life and work may well serve as an inspiration to those of our own and of succeeding generations who seek to play a useful and honourable role in the administration of the affairs of our country.

Personally I cannot say how grateful I feel for all that the close association and friendship which I shared with Senator Dandurand has meant to me in the course of my public life. We had been friends over forty years. For fifteen of those years he and I shared responsibilities in the cabinet and leadership of the government, in the Senate and House of Commons respectively. During the still longer years I have had the responsibility of the leadership of the Liberal party, in opposition and in office, I doubt if I could possibly have begun to cope with many of the problems of one in that position without the wise counsel, guidance and loyal cooperation he so constantly and unswervingly accorded me. In all his personal and public relationships Senator Dandurand was fidelity itself.

Although his voice will be heard no more in the councils of the nations, in the hearts alike of his fellow-countrymen and of the friends of justice and peace in other lands, the memory will long endure of Senator Dandurand's continuous and untiring efforts to promote the common well-being of mankind.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, this parliament and the people of Canada have been greatly shocked by the announcement of the sudden death of the Right Hon. Raoul Dandurand last evening. His death marks the passing from the political scene of one of Canada's best known public men.

Born fourscore years ago in the city of Montreal, where he made his home, received his education and practised his profession, he rose to be a national figure in the fields of finance and statesmanship.

The friend of Sir Wilfrid Laurier, he was, at the comparatively early age of thirty-seven, appointed to the Senate. There his qualifications marked him out for advancement and he soon became a commanding figure. In 1905 he was appointed Speaker, and in 1921, when my right hon. friend became Prime Minister, Senator Dandurand was made a member of the cabinet and the representative of the government in the Senate, which position he occupied until 1930, and again in 1935 until the time of his death.

His achievements in the realm of international politics are well known, particularly in relation to the League of Nations, of which he was a warm supporter. He occupied, respectively, the position of a Canadian delegate to the League of Nations, President of the Assembly and, later on, a delegate to the council of the league, a reputation which no Canadian since Sir Robert Borden has surpassed.

Contemplating in retrospect the life and career of Senator Dandurand, one cannot help but be impressed by the realization of what a full and happy life he had. Even prior to his appointment to the Senate, he

had played a leading part in the public life of his native province; and during the forty-four years he was a member of the Senate, no one took a more important and active part in the deliberations of that body.

In July last he received the highest honour at present in the right of Canadians to receive—membership in His Majesty's Imperial Privy Council.

My own relations with him were friendly. I often met him in Ottawa and on the trains. He was an engaging personality and a first-rate raconteur. Many times I have enjoyed my conversations with him.

He was a vigorous champion of his own opinions and of the aspirations of his compatriots.

His passing leaves a very distinct blank in the government of the country. I desire to extend to my right hon. friend and to his followers my sincere expressions of sympathy and regret.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, we join in mourning to-day the passing of one whose life was both useful and full. That Senator Dandurand was what we seldom see in our own dominion—and what we hope we may see more of in the years to come—a Canadian statesman with an international outlook, was recognized not only in our own country but in other countries of the world. He received distinguished honours at the hands of the people not only of Canada, but of France, from whose culture he derived so much inspiration. I shall always associate the late Senator Dandurand with the noble efforts that were made following the last great war to secure world peace. He was faithful to the ideals of collective security—sometimes called a noble experiment which failed; but I believe the day will yet come when upon the foundations laid by him and others like him will be erected a structure which will not fall and will not fail.

I did not know Senator Dandurand well, but I often used to see him in the corridors and the picture which I shall carry in my mind as long as I remain in these associations is of a noble and friendly figure standing beside the throne in the Senate chamber, and bringing to my mind the words of Geoffrey Chaucer, "he was a verray parfit gentil knight."

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, naturally when one passes who has filled for so many years so large a place in the public eye as Senator Dandurand, the first reaction is one of shock and regret. But I believe that in the contemplation of this man's life and of his passing most people will feel that he has been blessed in his going hence as he had been in his living here. He has had a long, rich and abundant life, full of activity, full of striving for the ideals which guided him; a life crowned with a large measure of success. I do not know how anyone could ask of life anything finer. Now that he has closed that life without pain, without regret, I think there is cause for satisfaction and comfort.

We join with those who will extend sympathy to the bereaved ones, for no matter how far advanced one may be in years, when he passes there will be an empty place at the fireside and there will be hearts that are lonely because he is no longer here. To these we extend our sympathy and condolences.

Mr. THOMAS VIEN (Outrement) (Translation): Mr. Speaker, I have the honour to represent the electoral division of Outremont, where the government leader in the Senate resided. He often did me the honour of calling me his member. He was the most illustrious of my constituents.

The death of the Right Honourable Senator Raoul Dandurand, a member of His Majesty's Privy Council, Minister of State, dean of the Senate and government leader in the Upper House, is mourned by all Canada and particularly by the province of Quebec. Over eighty years of age and suffering for some time from an illness which was undermining his robust constitution, Mr. Dandurand could have looked forward to the enjoyment of a well-earned rest.

In the face of the daily worsening situation, following the example of Sir Wilfrid Laurier and of the Right Hon. Ernest Lapointe, whose valiant comrade in arms he had been, he remained at his post and in the service of his country to the very end.

In the late Senator Dandurand Canada has lost one of her foremost statesmen; Quebec, an illustrious son who was an honour to her in all circumstances and who had the signal privilege of becoming president of the League of Nations; the French Canadians, an able leader and intrepid defender; the Liberal party, a wise and courageous adviser; the members of the Senate and of the House of Commons, a distinguished dean, a faithful friend, a great and generous soul.

We who for the past quarter of a century have been associated with him in the public life of Canada will ever miss his noble presence and eloquent voice.

There remains for us to imitate his virtues. His career is a shining example of what can be accomplished by us and for us, French Canadians, when native ability is supplemented by personal effort, study, uprightness and the conscientious performance of the given task.

May our young men learn from him to improve with age, never to let obstacles discourage them, to develop their natural gifts by ceaseless effort, to cherish high ideals and ever strive to attain them. May they learn that, while the lower rungs of the ladder are overcrowded in every sphere, there is always room at the top for men of ability.

May they take from him lessons of wisdom, level-headedness and understanding; may they imitate him in his unshakeable faith in the glorious destinies which Providence holds in store for the Canadian nation.

Inspired by his noble example, let us stand up to our daily tasks; let us strive to break the bonds of mediocrity, and to shake ourselves free of mental sluggishness. We will then find strength to endure all trials, to overcome all obstacles, to persevere until final victory.

Thus will we honour, as he would wish us to, the memory of this great Canadian.

CANADIAN ARMY

AMENDMENT OF SPECIAL REGULATIONS—PROVISIONS RESPECTING LEAVE AND POSTPONEMENT OF TRAINING

Hon. J. L. RALSTON (Minister of National Defence): Mr. Speaker, I desire to lay on the table order in council P.C. 1916, which contains several amendments to the reserve army (special) regulations. There are amendments respecting clothing allowance, notification of change of address, and penalties for failure to report: that has to do with men called up for training under the National Resources Mobilization Act.

Several hon. members have asked with regard to the regulations, which I mentioned in *Hansard* at page 818, whereby we are endeavouring to secure a more uniform method of administering provisions for leave or postponement by utilizing, even though men have commenced their training, the boards which have been appointed under the Department of National War Services. An amendment to that effect is embodied in this order in council which I am laying on the table.

In order that the house may have a general outline of the provision, it is this. Applications may be made by men who are in training under the National Resources Mobilization Act for leave at any time within three months after enlistment or after the commencement of training, and those applications may be granted under circumstances similar to those under which a man would have been granted postponement of training had he applied before his training commenced; or, as the order in council provides, leave may be granted where the circumstances show extreme hardship to dependents. The procedure is that the man who is already in training applies to his commanding officer, giving the grounds of his application, which should be verified by affidavit or by statutory declaration. The commanding officer forwards this material with his own recommendation to the district officer commanding—that is necessary in order that they may get in touch with the board—and the district officer commanding transmits that material to the board with any recommendation he has to make. The board then review the application just as they would review an application for postponement if made previous to training, and the provision in the order in council is that the district officer commanding shall give effect to the recommendation of the board, with one exception. That is to say, he has no discretion to turn down the recommendation of the board unless at that particular time the military situation is such that the exigencies require that leave be curtailed or refused; in that case he may refer the matter to national defence headquarters. Hon. members will understand, of course, that that is under special circumstances, but the general provision is that the recommendation of the board is to be accepted by the district officer commanding.

While that procedure is, under the order in council, permissive, instructions are being issued by the Department of National Defence that that is the procedure which shall be followed.

There is also a provision in the amendment whereby the boards are given specific authority to hear these cases. Another provision is to the effect that boards are given authority to hear any other cases or classes of cases which are specially referred to them by the adjutant general. That applies not only to men in training, but to the Canadian army home defence or the Canadian active army—either one.

I believe that this outline will give hon. members who have been asking about this matter the necessary information. The order in council is tabled so that hon. members may get full particulars if they desire.

Hon. R. B. HANSON (Leader of the Opposition): I take it that this applies only to those who are called up under the compulsory training plan and not to men who have voluntarily enlisted. A case came to my attention this morning of a woman in my own constituency who has four sons. One is in the army overseas, another is in the navy, a third is working on home defence, and the

fourth son, she tells me, has been called up for the air force. I do not understand that; he must have enlisted voluntarily. But she pleads with me to do something to get her fourth and last son out of the armed forces. I have written her explaining what I understand to be the position. I suppose this amendment will not apply in a case of that kind.

Mr. RALSTON: No. This does not apply to the air force. The general provision to which I have just referred may, however, apply to the Canadian active army or to the home defence army. That is to say, there is power in the order in council for the adjutant general to refer those cases to the board. The order in council does not provide that they must be referred to the board. As the order in council stands the only cases which are specifically provided for, in connection with which the board's decision is to be taken, are cases where men are called up under the National Resources Mobilization Act and are actually in training.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

1942 VICTORY LOAN

Mr. NICHOLSON:

1. What was the total amount subscribed in the 1942 victory loan?
2. What were the expenses in connection with floating the loan for, (a) advertising; (b) commissions; (c) other items?
3. How many subscribers were there, and what were the totals subscribed for each of the following groups, (a) less than $1,000; (b) $1,001 to $10,000; (c) $10,001 to $20,000; (d) $20,001 to $50,000; (e) $50,001 to $100,000; (f) over $100,000?

Mr. ILSLEY: I would ask the hon. member to be good enough to consent to this question being dropped. The information will not be available for several weeks at least and perhaps for a longer period than that. When it is available the breakdown into categories will not correspond with the breakdown contained in clause 3 of the question. If it were made an order for return it would not serve any purpose because the information available up to the time the order for return is passed is the only information that goes into the return. I think therefore the only course left is to drop the question for the time being.

Question dropped.

PURCHASE OF THE "SAN KATY"

Mr. GILLIS:

1. From whom did the government purchase the boat *San Katy*?

[Mr. R. B. Hanson.]

2. What was the purchase price?
3. What was the cost to the government of reconditioning this boat for mine laying purposes?
4. Is the said boat now in service?
5. If not, why?

Mr. MACDONALD (Kingston City):

1. Northumberland Ferries, Limited.
2. $83,900 has been paid. There is a pending reference to the exchequer court of Canada to settle the claim of the former owner, for a larger amount.
3. $97,213.39.
4. Yes.
5. Answered by No. 4.

UNEMPLOYMENT INSURANCE—PERSONS HAVING SERVED IN H.M. FORCES

Mr. DIEFENBAKER:

1. Since the inception of the Unemployment Insurance Act how many persons have received payments thereunder?
2. What are the numbers and occupations by provinces of such persons?
3. How many of the said recipients have been on service in his majesty's forces during the present war and of those how many are in receipt of payment under the said act as of this date?

Mr. MITCHELL: To furnish the information asked for will necessitate communicating with the nine regional offices of the unemployment insurance commission and as soon as the information is received by my office the question will be answered.

Mr. HANSON (York-Sunbury): The question stands.

Mr. SPEAKER: Stands.

ORDER IN COUNCIL P.C. 2686*

Mr. MacINNIS:

1. Was order in council P.C. 2686, June 19, 1940, revoked?
2. If so, on what date and in what manner?

Mr. McLARTY:

1. Yes.
2. February 24, 1942, by order in council P.C. 1426.

QUESTIONS PASSED AS ORDERS FOR RETURNS

WHEAT ACREAGE REDUCTION PAYMENTS

Mr. WRIGHT:

1. How many cheques were issued on wheat acreage reduction bonus for, (a) $50 and less; (b) $50 to $100?
2. What were the total amounts paid under each of the above classifications?

M. G. ARMSTRONG, M.D.

Mr. CARDIFF:

1. Is M. G. Armstrong, M.D., in receipt of pay of any description from the dominion government?

2. Is he the medical examiner for employees in the munitions or chemical works at Nobel or vicinity?

3. If so, on what basis is he paid?

4. What was the total amount paid to him by the dominion government in the calendar year 1941?

FARM LOANS—ABANDONED FARMS

Mr. HATFIELD:

1. How many loans were made in each province by the Canadian farm loan board during the last fiscal year, and what was the amount of each loan?

2. How many farms on which loans were made have been abandoned in each province since the formation of the said board?

3. How many of the abandoned farms has the board at the present time and where are they located?

WAR CONTRACTS—J. A. A. LECLAIR-DUPUIS LTD.

Mr. LACOMBE:

1. Has J. A. A. Leclair-Dupuis Limited, of Montreal, obtained contracts to construct war defence projects?

2. If so, what amount has been paid to the company for each contract?

3. How long has this company been in existence?

4. Who are its president, manager and directors?

5. What kind of work does this company carry on, and at what place in the province of Quebec?

6. Upon what date and in what year was this company incorporated?

INQUIRY OF THE MINISTRY

STATEMENT OF MR. SPEAKER WITH RESPECT TO QUESTIONS ON THE ORDERS OF THE DAY

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): I desire to direct two questions to the Minister of Justice (Mr. St. Laurent), based upon a translation of an article appearing in *Le Droit*, published in the city of Ottawa on the ninth instant in a column of comments entitled "From day to day". As the minister is away, and as there is no hurry about it, I shall ask that the matter be taken as a notice. The comments in principle are such that with the permission of the house I will read them.

Mr. SPEAKER: I do not like to interrupt the leader of the opposition, but I gather from the statement he is about to read that it will take the form of a question which would call for consideration by the minister before it can be answered, and therefore it would fall within the category of such questions as I have already ruled should properly be placed upon the order paper. I suggest to the leader of the opposition that he put the question on the order paper.

Mr. HANSON (York-Sunbury): I sent notice of this question to the minister.

Mr. SPEAKER: May I interrupt to say that I did observe on a former occasion that when questions were asked, and the purport of the question had been sent to the minister, the minister came prepared to give an answer, and this in effect simply accentuated a practice which I have ruled is improper. As I said yesterday, if a question is improperly asked on the orders of the day it is just as improper for the minister to answer it. If we are to adhere to the rule, all these questions which are not of immediate interest and which do not require an immediate answer should be placed on the order paper.

Mr. HANSON (York-Sunbury): I bow to your ruling, of course, Mr. Speaker, but I had not even come to the question.

Mr. SPEAKER: I gathered, however, from the form which the question was about to take that it was one that should certainly be put on the order paper.

PLEBISCITE ACT

INQUIRY AS TO SPECIAL GASOLINE CARDS FOR RETURNING OFFICERS AND OTHER OFFICIALS

On the orders of the day:

Mr. G. K. FRASER (Peterborough West): I wish to ask a question of the Secretary of State. Owing to the fact that most of the returning officers for the plebiscite, and their assistants, will have to travel many hundreds of miles in their automobiles to make arrangements for polling booths, et cetera, will special gasoline cards be secured for these men to carry on this work?

Hon. N. A. McLARTY (Secretary of State): I am afraid I shall have to make inquiries and in the meantime regard the question as a notice. So far as I know, the oil controller has not given special consideration to the matter. However, I will inquire and advise the hon. member.

CANADIAN ARMY

UTILIZATION OF CAMP GROUNDS AT NIAGARA-ON-THE-LAKE

On the orders of the day:

Mr. N. J. M. LOCKHART (Lincoln): Mr. Speaker, with due deference to your desire to limit questions that may be asked on the orders of the day, may I ask the Minister of National Defence (Mr. Raltson), in the light of the increasing development and activity in the construction of army quarters in other parts, whether he will be good enough to

inquire into the lack of use of the camp grounds at Niagara-on-the-Lake, and see whether it could not be utilized to a greater extent.

Mr. SPEAKER: This is another question of the kind that should be put on the order paper.

CANADIAN WHEAT BOARD ACT

PROVISION FOR INCREASED RATE PER BUSHEL ON WHEAT DELIVERED BY PRODUCERS

The house resumed from Wednesday, March 11, consideration of the motion of Mr. MacKinnon (Edmonton West) for the second reading of Bill No. 13, to amend the Canadian Wheat Board Act, 1935, and the amendment thereto of Mr. Douglas (Weyburn).

Mr. BRUCE McNEVIN (Victoria, Ont.): The subject matter of these three bills, commonly referred to as the wheat bills, similar in character, now constitutes an item that must receive attention yearly in this chamber. They represent something of great magnitude in the civil and commercial life of the country, apart from war, perhaps greater than any other question within that category.

The first bill to which I wish to refer is that introduced by the Minister of Trade and Commerce (Mr. MacKinnon), Bill No. 13, the amendment to the Canadian Wheat Board Act. The only point in that bill that is of importance is the abolition of the 70-cent price and the substitution therefor of 90 cents. When this question was under discussion a year ago I very strongly urged upon the government an increase in the price of wheat, and with the increase from 70 cents to 90 cents I may say at once that I am in full accord.

I think we all recognize and recognized a year ago that 70 cents is a very low price for wheat. I do not think it is necessary to discuss that question at great length. I realize that there has been a demand for dollar wheat, but we all know that the world situation affecting wheat is at present most difficult, and I assume that the Minister of Trade and Commerce has taken that into consideration in relation to his recommendation of a price of 90 cents.

With regard to the wheat acreage reduction bill, this item a year ago was dealt with through the supplementary estimates. At that time I think I raised the point that it should have been dealt with by a bill; therefore I congratulate the Minister of Agriculture (Mr. Gardiner) upon the method of dealing with the matter this year.

Before proceeding to discuss the various items to which this bill relates I wish to make a few general remarks covering some other matters of importance in the work and production of Canada. One item has already been referred to, industrial wages, from the point of view that industrial wages had risen more rapidly and to a higher point than had the farmers' income. I believe that is true to a great extent in the more central and highly industrialized centres. When you go out into the more remote districts I think you will find in the factories producing munitions and war materials and the materials for civilian consumption that the wage rates are fair and good, but not exorbitant. In fact I can go a step further and say that under present conditions, particularly in the province in which I live, they compare perhaps favourably with the returns to agriculture. Of course there is no question that those industrial wages are high enough to attract labour away from the farms, and this creates a situation which I am sure is receiving careful consideration by the government. Later this session I may have something further to say on that point.

The next item to which I wish to refer is lumber. Lumber is an important commodity in the riding I represent. The timber controller's office informs me that since the outbreak of the war in September, 1939, of the lumber that enters into the construction of homes and such buildings, what might be described as rough lumber, white pine has increased in price 15 per cent, spruce 16 per cent and hemlock about 20 per cent So that you have an average increase of approximately 17 per cent in the price of lumber since the beginning of the war. Now, that is not a very heavy increase. We had a very heavy production of lumber in 1940 and again in 1941, but it is possible that without some further increase the production might not be as heavy later on, because labour for lumbering operations is becoming scarcer and higher wages are demanded.

The next item to which I wish to refer was mentioned by the hon. member for Wood Mountain (Mr. Donnelly), that is, the rate of interest paid by the government for the money borrowed to carry on the war. I learn from the Department of Finance that since the outbreak of the war there has been lent to the Dominion of Canada in the form of war savings stamps and certificates and bonds, not including conversions but new money, the sum of $2,300 million at approximately 3 per cent. If you compare the interest rate paid during the last war, which averaged perhaps 5½ per cent, you will find there has been a saving in annual interest, on that huge sum, of about $51,000,000. We recognize, therefore, that those who lent their money to the

government, and they represent all classes, are receiving a substantially reduced income from that source.

I wish to refer to index figures covering a number of major agricultural products of all the provinces of Canada, also the general level of manufactured products, in fact all products. Taking the 1926 level as 100, manufactured products for civilian consumption stand now at 93·2. If we take all products, agricultural and manufactured and all others, it stands at 92·2. Poultry and dairy products stand at 101·3; live stock products at 115·2. It is true—and this point has a direct bearing upon the whole discussion in which we are now engaged—that cereal products are indeed low in price, and perhaps on the same basis would come somewhere between 55 and 60. I should explain further that since these percentages were compiled we have had some increase in the price of cattle, in the price of lambs, a 3-cent bonus on eggs, and some additional payment to the whole milk and condensed milk producer; so that if the figures were brought up to date some of these indexes would register a reasonable increase.

The Minister of Agriculture has had something to do with the bonus for eggs and the bonus for milk, cheese, et cetera, and in that regard I think he deserves a word of commendation. There has also been an increase in the price of cheese. I believe the situation of the Ontario farmer is now reasonably satisfactory. I have not always agreed with everything brought before the house by the Minister of Agriculture, and I might add that perhaps this bonus system is not the best and soundest system. Nevertheless under present conditions it apparently represents the only instrument by means of which these matters can be successfully dealt with. I believe from the standpoint of an Ontario farmer I can state truthfully to the Minister of Agriculture that they have been fairly dealt with.

Perhaps the 20-cent increase in the price of wheat is not sufficient, but it is a substantial increase in price. I wish to make a comparison between the situation of agriculture in Ontario and in the western provinces. I find in the "Canada Year Book" for 1941 a statement showing investments in agriculture in the various provinces of Canada. These investments are listed under three headings, namely lands and buildings, live stock, and implements and machinery. The figures are found at page 154, and they relate to the year 1939. I do not believe that any major or radical change has taken place from that time up to the present. I find in this list that Alberta has invested under those three headings the sum of $599,000,000, Saskatchewan $841,000,000, Manitoba $329,000,000 and Ontario $1,408,000,000.

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If we have the gross income of agriculture in all the provinces we can arrive at what should be a fair estimate of the gross return per $100 unit throughout the various provinces, to indicate whether or not the farmers in one part of Canada are enjoying greater prosperity than are those in some other part. It is difficult to secure accurate figures respecting income, but we have estimates. I assume that as between the various provinces those estimates are fairly representative of the established and true situation.

I find that from the gross sales of agricultural products Alberta received, in round figures, $150,000,000 in 1941. A few days ago the hon. member for Wood Mountain (Mr. Donnelly) gave for Saskatchewan the figure of $180,000,000. The figure for Manitoba in the estimate prepared by the bureau of statistics stands at $80,000,000, and we have in Ontario an estimated income of $285,000,000. We received in Ontario cheese bonuses during the last year amounting to $4,500,000. We have provincial hog bonuses in Ontario and Quebec, but they do not run into very much money. I will add to the $285,000,000 gross income of Ontario farmers the sum of $5,000,000 for the cheese bonus, and I believe in allowing that amount there will be some to spare.

The minister told us the other day that in the western provinces about $60,000,000 was to be divided among the farmers as payments under the wheat acreage reduction plan, the Prairie Farm Assistance Act and the Prairie Farm Income order in council. I understand that that sum will probably be divided as follows: Saskatchewan, $35,000,000; Alberta, $15,000,000 and Manitoba, $10,000,000. So that if we take the $150,000,000 gross income for Alberta and add this $15,000,000 we have a figure of $165,000,000. If we divide that $165,000,000 into the $599,000,000 of gross total investment we have $27.75 per unit of $100 invested. In each case of course that represents the sum out of which the farmer must pay his interest charges, his taxes, his threshing expenses, his living expenses and other costs incidental to the operation of his farm. If there were anything left I suppose it would come under the heading of profit. It would seem that there should be a column for profit and loss, because I assume in all provinces we do occasionally run into grievous losses.

I now come to Saskatchewan, with its estimated income of $180,000,000. If we add the $35,000,000 for the payments to which I have referred we have the figure of $215,000,000. As I said a moment ago, in that province invested capital stands at $841,000,000. Computing that on the basis I have indicated we find that the income per unit

runs to about $25.30. We come to Manitoba with a capital investment in agriculture of $329,000,000 and an income of $80,000,000. Then there is the $10,000,000 for bonus payments which must be added, making a total of $90,000,000. If we work that out we find that it comes to approximately $27.50.

Coming to Ontario, with its gross income of $290,000,000, and a capital investment of $1,408,000,000, a computation on the same basis indicates a return of $20.50. There is another point I suggest should receive some consideration, because I realize that interest charges in western Canada are substantially higher than they are in the east. But we have in Ontario certain set expenses which are higher than they are in the west. In order to produce crops in western Canada in 1941, 10,000 tons of fertilizer were used. That fertilizer cost approximately $55 a ton, making a total expenditure of $550,000. The cost of fertilizer in the west is high because of the excessive freight charges. The fertilizer used has a higher content of potash, nitrogen, et cetera, and less filler. This is done to save freight. The farmers of Ontario consumed 126,000 tons of fertilizer which cost approximately $32 a ton. Therefore they spent a little over $4,000,000 to purchase fertilizer to produce the crops that they have for sale.

Another important item is taxation. Again I shall give round figures, but I have the totals in every instance. In Alberta there are quite a few local districts where they collect school taxes, but I got my figures from the bureau of statistics and I am including all taxes, school and otherwise. In some of the western provinces there are provincial improvement plans, but I have also included those. I shall give the taxation of the rural municipalities in the west and the organized townships in the east in order to give a fairly clear picture of the situation. In Alberta approximately $7,500,000 is paid in rural taxation. In Saskatchewan the total is approximately $11,500,000, and in Manitoba, approximately $5,000,000. But the total of rural taxation in Ontario is approximately $26,500,000.

I am not presenting these figures with any desire of minimizing the responsibilities or the difficulties or the problems of the farmers of western Canada. I have every sympathy with them in their troubles, but I give these figures to show that we have pressing problems in Ontario. If you will take the total receipts and divide them by the number of farmers engaged in agriculture, you will find that the gross income does not differ to any extent as between provinces. I have the figures here, but I do not want to tire the house with too many. Figuring on that basis there is probably a difference of not more than $100 in the average income of the farmer as between provinces. Of course, there are large units in the west where no doubt the carrying charges are high, but in Ontario we are faced with high municipal taxation and a high fertilizer cost. In addition, in order to produce these crops, we brought in—perhaps the Minister of Agriculture could give this information better than I—during the year 1941 from western Canada many millions of dollars' worth of western grain. That had to be paid for out of our income in order to make this production possible. I think we must have a broad viewpoint of the whole agricultural situation throughout the country.

Referring to the wheat acreage reduction bill, a year ago I took strong objection to the payment of a bonus for coarse grains, and I cannot say that my objection to that principle has lessened. I believe that it created an inequality in the production of live stock. It is said that a little leaven leaveneth the whole lump, and up to a certain point the freight assistance provided in the year 1941 was of major assistance to the Ontario farmer. But I do not believe he will reap as much benefit from this in 1942 as he did in 1941 because the price of western grain will be higher. We brought in considerable wheat last year and because of a very insistent demand for Ontario wheat, we could exchange our wheat at the elevator for western wheat and make twenty cents on the exchange. Of course that is something that I do not think anything can control, because western wheat does not suit that particular market and that is why the situation prevailed. This condition will not prevail with western wheat at 90 cents should Ontario harvest a reasonably good crop. I hope that that situation prevails in all the provinces. The Minister of Agriculture has been criticized, sometimes severely, throughout western Canada—

Mr. HOMUTH: How about the east?

Mr. McNEVIN: Probably in the east too; more last year than this year. I think the bulk of this criticism has arisen from the fact that the minister has had to deal with these problems at a time when they were more difficult than ever before. When I look at the wheat acreage reduction bill, the Prairie Farm Assistance Act and the prairie farm income order in council I cannot help but think that the Minister of Agriculture has devised means and developed ideas to give assistance to the farmers of the western provinces, and in some instances as well to the farmers in the east, to a degree never equalled by any of his

predecessors. I doubt if it has been equalled by anyone in a similar position in any of the food exporting countries of the world.

The hon. member for Rosthern (Mr. Tucker) referred to the number of telephones, electrical and running water installations in the homes of western Canada, and I think he referred also to the number of automobiles owned. It is true that there are a greater number of farms in Ontario with these conveniences, but it should be remembered that this part of the country has been settled longer. The district from which I come was settled in the late twenties and the thirties of the nineteenth century. I see by the reports that at the outbreak of the great war about 10,000,000 acres were under cultivation in western Canada, or put into wheat. If we go back to the beginning of the twentieth century, the development would be much smaller. Therefore, this point must not be forgotten, that there was a civilization approximately seventy years old when settlement started in the west. Naturally these services will develop and grow. I would like to see every farm in every province in Canada with the conveniences of electricity, telephones and running water, as well as automobiles. There is no class of people under the sun who are more entitled to or have greater need for these conveniences than those who live and work on the land.

There may be a reason for the attitude taken by the western farmer that his problems are greater than those of the farmers in any other part of Canada. I do not believe there is an agricultural section of Canada in which the land was more easily acquired than it was in the western provinces. There were homesteads, preemptions, cheap lands. Remember, I am not minimizing the problems in any part of the country. The farmers had many problems in the province of Ontario, and the same thing applies to the west. I believe also that the land in the west was recovered from nature and turned into production with less effort than the land in any of the older provinces of Canada. That may not apply to some of the northern and eastern districts of the west, but it does apply particularly to that triangle to which the Minister of Agriculture referred, bounded by a line running from Morden to Lloydminster, from there down to Calgary and on to the United States boundary. That land was brought into cultivation with a minimum of effort as compared with the effort required in many of the other provinces. The farms out there are large, and in common with all the agricultural districts of this dominion, the farmers of the west have enjoyed periods of prosperity and good times. Each agricultural area in Canada has had its heyday. I think it will be agreed that western Canada had its heyday. And during that heyday land in the western provinces blossomed forth in the production of bountiful wealth to a greater extent than in any other part of Canada. I threshed in western Canada for several years; I have seen the golden grain piled on the prairies, and the farmers were getting a good price for it at that time. I regret the difficulties that came later when farmers in some parts of the west suffered from drought and when the farmer's equity diminished and in some cases disappeared.

The reason I cite these facts is that I believe that the conditions I describe have left an imprint and had an effect upon the mentality of the people of western Canada. And now when their farm income is just about on a par, sometimes a little better, with that obtained in the other provinces, they are not used to being cramped to the same extent as farmers in many other parts of the country.

I think it was the hon. member for Moose Jaw (Mr. Ross) who said that the wheat grower had made a noble and most important contribution to the war effort. I agree absolutely. I would be the last to detract in the slightest degree from their accomplishments because they are doing a great work and making a splendid contribution. In one of the galleries of this House of Commons since the session opened on January 21, a western farmer and his wife have sat during many sittings. I have talked to this man. He is a splendid fellow. I have heard western people say that they grow the finest wheat in the world. I would say that this fellow is as fine a fellow as you could grow anywhere in the world. He comes from that wheat area where, as the Minister of Agriculture said, it is difficult to grow anything but wheat and what is his situation? He said to me: "I left my farm on the first day of December." It is not a power farm; his power is horses, and he said: "I locked the stable door." The important point to remember is that his horses were on the outside of the stable, not on the inside, when he locked the door, and they went out on the prairies to hunt their living for the winter. "I am worried about them," he said. "There is not much snow, and I am anxious lest they be short of water. I am going to be back there on the first of April, and I hope they will be all right."

In the case of the dairy farmer—not in Ontario alone but in all the provinces of Canada—who produces cheese, milk, butter, hogs and cattle, what is called the mixed farmer, the door, mark you, is not shut and latched with his stock outside. The stock are all inside, where they must be watered and fed and tended, and not just on one day in the week

or in one month out of five, but seven days a week and every week throughout the entire winter. I ask that this be borne in mind. The wheat farmer has made a great contribution to the war effort, but I believe that the mixed farmer is making perhaps a greater contribution to the war effort. I recall those famous words of Churchill about blood and toil and tears; certainly the mixed farmer knows what sweat and toil is, and if you are going to use that as the yardstick to measure their war effort, you will have to give a place alongside the wheat farmer to the mixed farmers throughout the length and breadth of this dominion.

There has been a request—I will put it that way—from the other side of the house and from here and down there to my left for a better understanding of the problems of the western farmers, and Ontario was mentioned particularly when hon. gentlemen from the west were speaking. I think we must have a better understanding, if it is possible to get it, but I hope it will be a mutual understanding, that we shall understand the problems of the west better, and that likewise the farmers of the west will understand our problems better. I do not think we have many differences of importance. I think our differences are minute and imaginary. Our objectives are similar. Our interests may differ in some respects but we have much in common. I would say first that as farmers we should perhaps be a little better satisfied with our lot. I say to the farmers from the east and to the farmers from the west, let us go forward together jointly and unitedly, in our common task of feeding our armed forces and our civilian population, and assisting to feed the armed forces and civilian populations of other parts of the empire and, whenever and wherever the opportunity offers, of our gallant allies, to the end that we may attain ultimate triumph and victory for our cause and bring about a just and honourable peace to this distracted and distorted and war-ravaged world.

Mr. T. L. CHURCH (Broadview): The motion for the second reading of Bills 12, 13 and 14, and the amendment moved by the hon. member for Weyburn (Mr. Douglas), deal with the most important domestic matters to come before parliament this session. Thus far the speeches made by those who have taken part in the debate have revealed a wide knowledge of world conditions, and of the situation of Canadian agriculture—which, with other natural resources, forms the principal basis of our wealth.

The country affected by this legislation was opened up largely after the northwest rebellion of 1885, which occurred not so far from the constituency which you, Mr. Speaker, represented for many years so ably and faithfully. It was at this time that the attention of the civilized world was called to the great prairie country, the potential granary of the empire. It appealed to the fancy and imagination of the whole civilized world. This wonderful new land of promise and opportunity showed it would be one of the glories of the Victorian era. Militia units from Toronto, including the Queen's Own, the Royal Grenadiers and the Governor General's Bodyguard, the battalion commanded by our late admired magistrate Colonel George T. Denison, the York Rangers and soldiers from Halifax and Winnipeg, constituted this force. Many of them marched across lake Superior in the depth of winter, twenty to thirty degrees below zero, and endured the terrible hardships of winter in order to save that great country from secession and prevent Canada from being dislocated. After the war, numbers of these men received a small grant of land which they never saw, and many went west with their families into the territory which is now the three prairie provinces, aided only by the small grants which they then obtained. There was afterwards a heavy migration to the prairies from Ontario and Toronto.

I believe in a principle for confederation of "each for all and all for each." What is for the benefit of the prairie provinces is for the benefit of Ontario, the maritimes, and the great Pacific province. But let me remind hon. gentlemen that the winning of the war is the first and most important business of Canada. While we have many great domestic problems, including this one of agriculture, nothing will matter if we do not win the war, because if the enemy wins there will be no such thing as a price; everybody will be working as a slave for an alien government, and life will not be worth living.

The discussion on this subject lasted last year about three weeks, and it is instructive to notice where the demand for a policy of parity prices in war time comes from. You will find that those who, in this house and out of it, for many years past have argued that the interests of the great grain growing industry lay north and south instead of east and west and required free trade with all the world, have now veered around and, instead of preaching free trade from the housetops on the prairies, are adopting methods of triple protection and supporting the principle of protection for this, Canada's greatest industry.

In the government's present policy, embodied in the wheat measures now before the house—it is not a long-term policy—it is not yet clear what they propose to do for wheat growers in the present year and what they

propose to do in the years to come are two different things. The prairies alone are in on it. The other provinces will benefit by it but little. I have long contended that it is the desire of every good citizen to see agriculture put on the road to recovery, but this means a long range policy in the interests of all the provinces, to be put into effect before it is too late. After all is said and done, when the war is over there will be such a general wreckage in Canada and the world that it will be difficult to salvage anything. I believe that long before that time comes we shall require all the increased production which has been spoken of. But the ships are not available; we have lost the command of the sea in the Pacific; and it is difficult to see where we shall get the supply of labour or the ships or transportation necessary to take care of the crops and of our export trade.

I notice that the government, in connection with these bills, is not proposing to take a plebiscite on this particular question. Most of the plebiscite supporters are not in the chamber to-day. May I remark that the committee of agriculture is going to have a big proposition on its hands. However, I have never yet known any committee appointed by the government which did not do exactly what the government wanted them to do. They are a majority and write the report. They may function to delay, hinder and prevent the solution of this question. But it is the government that is responsible for the state of agriculture to-day and for a solution of any ills in it in all Canada.

In my opinion the government in the past has worn a coat of many colours in relation to the grain growing industry. The bill is said to deal with an emergency, and the legislation is under the War Measures Act in pursuance of the provision for "peace, order and good government". But if it is a war-time measure, why in the name of sense are those men who are getting $1.30 a day, about the price of a bushel of wheat, not to be considered, as man-power is an industry. If any of us served at the front and faced death twenty-four hours a day, we would be less inclined to give first place to material things like the price of grain and forget ourselves and dependents. Are soldiers who go away to fight for us not entitled to some economic protection, as well as grain growers? The hon. member for Trinity (Mr. Roebuck), part of whose riding I used to represent, objected the other day when I was about to speak on this matter on Bill No. 5, saying it was not within the four corners of the rule to discuss the question then at issue and the necessity of some protection and security for those who are employers of labour in industry which surely needs it. He was objecting to any proposals of mine for such security for industry as I read it in *Hansard*. Now I may say that in connection with this matter an emergency is declared for some and not for others; there is one economy for agriculture and another economy for the industrial worker and industrialist. Why should an emergency be declared for agriculture, and yet not for industrial workers, who are forty-five per cent of the population, or for soldiers, who are fighting a great fight at $1.30 a day in what are also war emergency conditions dangerous even unto death?

The Farmers' Creditors Arrangement Act, passed by the late government, was another protective measure for the benefit of the grain growers and everybody on the prairies. That also was extended as an emergency act to fishermen. I contended at that time that, whether it was a war or peace economy, we should have included also the industrial worker under that protective statute.

In the past fifteen years I have repeatedly taken part in debates on wheat policies. It will be found by reference to *Hansard* that in 1924, 1925 and 1926 I called attention to the policy of our friends in Ontario, at a time when the council of agriculture from that province came to Ottawa, and Hon. Mr. Drury declared that the grain growing industry on the prairies was a free trade industry, that protection was an unmitigated evil that should be abolished and had ruined the grain growing industry on the prairies, and that they wanted free trade and the removal of the last vestige of the tariff and a north and south policy. Speaking on May 8, 1924, as reported in *Hansard*, I predicted that if their policy were carried out, and if, instead of sticking to our best customers and marketing our wheat in Britain and the allied countries, they adopted the free trade policy of hon. gentlemen opposite and of the prairie premiers, the price of wheat would go down to thirty-six cents a bushel, which it did in one critical year during the depression.

Mr. HOMUTH: They change their policy when it comes to wheat.

Mr. CHURCH: They were everything by fits and starts and nothing long. The policy I have proposed in this house has been a consistent policy. But here we have three measures of protection—the very thing which formerly hon. gentlemen opposite, members of the Cooperative Commonwealth Federation, and other groups which formerly sat on our left, so strongly opposed. I may say that I have been a consistent supporter of a

protective policy all along the line for farmers. Agriculture, after all, has been traditionally associated with the Conservative party.

The policy of the Conservative party has always been to aid the farmers and our own work for our own workmen and our own markets for our own products; but hon. gentlemen opposite have made the great mistake of supposing that they could eliminate by a north and south policy the mother country, which is in reality our steadiest and best customer, and that wheat was an east and west policy to the markets of the world. The minister in 1938 and 1939 was going to propose a policy by which Canada would withdraw from the grain growing business altogether and get out of it—at least from the half-baked schemes he had then, and palliatives and other attempted cures. He came to adopt protection by means of bonuses, subventions, subsidies, stabilization funds and so on to aid the prairies.

The hon. member for Melfort (Mr. Wright) yesterday told us that on one occasion he was present at a meeting in Prince Albert in the Prime Minister's riding when the question was asked him why the government did not give western agriculture fair treatment. I admit that the Minister of Agriculture is a pleasing, hard-working, and, I am told, a very likable person. But what about the visit of the 400 grain-growers to Ottawa two or three weeks ago? Their motto was *veni, vidi, vici.* They came, they saw, and they conquered. Their slogan was, "On to Ottawa," to get the support of the Minister of Agriculture for an increase in wheat. Well, they did not come in vain, nor did they have to send home that laconic reply, "We regret to report" and so on. Oh, no; the trip was not in vain. Advance was the word. I read in some of the newspapers that the Prime Minister was member for his riding in Saskatchewan only by grace of that province and of the Minister of Agriculture. I do not say that it is true or not, but the soldiers who are only getting the price of a bushel of wheat pleaded in vain for something and did not get any relief for aid to their dependents. The 400 delegates a month ago were outside the hall; someone came out and said that the boys were getting impatient and that the ministers should not keep them waiting, and so the Prime Minister and all the rest went into the hall. I am surprised, Mr. Speaker, that the members of the government did not walk into the convention hall on stilts, because they practically announced that the application for more money and a shell-out was not going to be granted, although eight members from Saskatchewan, it was reported in the *Globe and Mail,* threatened to resign unless the request of the delegation was granted.

[Mr. Church.]

I contrast that with the form of protection that prevails in connection with another war emergency—man-power as revealed in soldiers at war. Different treatment is given in that case. The regiment of 400 who came here looking for more money for their wheat got it. The price was raised from 70 cents to 90 cents. But the only trouble about this proposal is this, what is the ability of a country at war to pay it? What is the use of all the money that is being spent, the high-priced methods, the big-stick, tighten-your-belts methods that are being put into force in connection with ceilings so far as civilians are concerned, by the wartime prices and trade board and the talk of chairman Gordon? If these three bills go through they will sound the death-knell of all ceilings, because the history of economics and world conditions shows quite clearly that ceilings, to be successful, must apply to every individual and every industry throughout the country fairly, equitably, and on a standard plan. Consider what was said about daily belt-tightening by the great Pooh-Bah of the administration, the chairman of the wartime prices and trade board in the press and over the radio, that board which has its offices spread all over the country, so that no small independent business man can conduct his affairs without being hampered by all sorts of artificial restraints of trade, burdens and barriers. What did that gentleman say? He said, when these three bills were announced, that the consumer would not be interfered with. Because he says so, does not make it so. He acted the part of "me too" to the Minister of Agriculture in trying to persuade the people that the consumer was not affected, that the manufactured products of wheat in bread and flour would not be touched or raised. But these products are affected, the consumer is affected; there is no use denying that. The consumer is affected directly, and pays more because it is the taxpayer, that is to say the consumer, who in the end must pay the taxes of all these increases and boards. That is true under all governments and under all economic laws. In my opinion Mr. Gordon has sounded the death-knell of ceilings in Canada by supporting these three bills, but he has also played the part of life-saver for the government of the day in an endeavour to make that policy more acceptable to the rest of the country, and all these handouts from the consolidated revenue fund.

But there is something else to be taken into consideration. You will have an increase in freight rates. There is an application before the transport commission for an increase. They were to sit in Toronto tomorrow but the meeting has been cancelled.

Consider, moreover, the effect it will have on economic values and on ceilings in Canada —because the railways are a law to themselves. According to a return I received last year, the Canadian Pacific Railway had made at the close of 1940 $2,750,000 and the Canadian National Railways $2,500,000 out of this war by way of increase in their receipts from this war more than they got in the last war from transport of soldiers, food, grain and munitions and supplies of various war industries across Canada. Why should we have ceilings now for some and not for others? Why should there be an increase in freight rates now? I do not know what the farmers will think about it. I know they will strongly oppose it with a handout to the railways.

I do not see the hon. member for Wood Mountain (Mr. Donnelly) in his place to-day. He is an old friend of mine and the day before yesterday he made a splendid speech in which he set out three essential reasons for this particular pegging. In the first place, he said it was essential that the man who has wheat to sell should receive such a price as would assure him a respectable living. He said that the man with a wheat crop should get a price from the government that would make it possible for him to live decently. That is no doubt true. The second point he made was that the man who cultivates land and who, through an act of providence, receives no return for his labours should be given protection. I presume he means any act of God, such as drought, hail, climatic conditions and so on. His third point was this. He asked, what is the government going to do with the wheat when it is delivered, and where will they sell it or store it? How much will they pay for storage? These are matters that will be brought out, presumably.

I am opposed to the policy of restricting acreage, because in my opinion it is a great mistake in the present condition of the world to pay for idleness. In a short time you may not be able to find man-power to work the farms of Canada, because the average city man is little or no use on the farm. Any man brought up in the city is only in the way in farm work as a general rule. I suggest that the government should look into the question. In 1938 I urged that this government should establish food reservoirs in England, because I saw the war coming. In January, 1938, the British medical association met in London and it was pointed out then that this wonderful hard wheat and grain grown in the prairie provinces could be stored underground and above ground in reservoirs for ten years and, by reason of sanitary equipment and modern engineering, it would be almost as good at the end of that time as when it was put there. We should have got rid in 1938 of our yearly carryover to Britain.

That surplus should have been moved over there; if it had been it would have done untold good to the old land. A great deal of useful work has been done by the wartime prices and trade board in some ceilings, as I am free to admit, some of which has been most commendable, in protecting the workingman on the necessaries of life. But ceilings can be made effective only if they are of universal application to all callings including farm products. The trouble with the Department of Agriculture as I see it, and the wartime prices and trade board, is that they first get one or two key men from the civil service, not heads of the service. They pick them out all the way down to Nos. 4 and 5, and bring them into the department. Then they put a whole retinue behind them and they start issuing orders. Then they engage two or three professors. The hon. member for Qu'Appelle (Mr. Perley) was quoting a professor, Professor Hope I think. Well, they may have professors "Faith, Hope and Charity, these three," in the agriculture department, but I have never yet known one professor who knew much about modern competitive business; they have had no actual business training in any competitive business. The Department of Finance and other departments are filled with them. During the last century, physics, chemistry and medicine have made great strides and are respected the world over because these sciences deal with facts proven. But these professors of economics who predict what will happen to the grain crop do not argue from facts; they have had no practical experience as dirt farmers. When they report their dicta and opinions to the government, it is always in the realm of doubt opinion, and not worth the paper it is written on as a practical demonstration of what should be done even in the Department of Agriculture.

The price ceiling no doubt in many lines has done a certain amount of good, but unless it is operated along the lines I have indicated as above it will be a failure in time. It cannot be done successfully under rules and regulations that exempt certain callings, as do these bills now under consideration, and railways and agriculture. A real movement against inflation must come from within as well as from without. The evidence taken in Washington the other day before a committee indicated that the best way to combat inflation and rising prices is by producing more, keeping down costs, and by a fiscal policy that

will absorb the excess purchasing power flowing from the treasury. Direct results obtainable from price control are thus limited and precarious, and after the war may lead to economic disaster and ruination to thrift and all business and trade.

Canada must beware of the bureaucrats; we have too many of them; they interfere with business and agriculture and everything, and at the end of the war they will want to continue on forever. Wait till you see. They usurp the functions of parliament and do it over our heads and we have no control.

On the same day as the announcement of the minister the other day of the order in council increasing the minimum price from 70 to 90 cents, Mr. Gordon of the wartime prices and trade board announced in the press and over the radio that the consumer would be protected. But he is not and cannot be by talk and more advice to tighten belts. These ceilings are only equitable if you have a fair cost. It is the taxpayers, the consumers, who will pay for this bonus; it will come out of the consolidated revenue fund. There should be equality of treatment of agriculture in other provinces, but in Ontario and other provinces they do not get the help the prairies receive, although suffering as much.

The Prime Minister said in 1935 regarding industry that if the manufacturers took the position that with the aid they were getting from the government they could not afford to continue in business under the tariff, the government should step in and operate the plants themselves. Whether or not the government at that time had the right to take over and operate an industrial plant is not the question; to-day under the National Resources Mobilization Act it has the power. I contend that that should be applied to farmers as well. That war act gives the cabinet authority to require persons to place themselves, their services and their property at the disposal of his majesty's government to maintain supplies or services essential to the life of the community. In my opinion there is no difference between the government taking over and operating manufacturing plants and taking over and operating farms. In fact there is much greater reason for taking over farms to maintain the food supply of the nation, a matter of life and death to the civilian population. But so far there has been no proposal by the government to treat farm production in the same manner as the Prime Minister suggested for industrial production in 1935. Instead, there has been a bonus here, a subsidy there, a mark-up there and all kinds of subventions, yet the farmers are still leaving the land. If the government took over and operated the farms they would have a concrete

[Mr. Church.]

demonstration and not the opinion of professors as to how far that policy proposed in 1935 can go. That was the opinion of a great newspaper. If they operated some of the farms that the farmers have said they cannot afford to continue to work it might be possible to make a scientific diagnosis of the whole situation; it might be found that some elements of collective farming could be applied to reduce costs and increase returns.

I wish to refer to the parity question, because that is a great issue in the United States to-day. The government would be well advised to look into it. Mr. Henderson has been appointed administrator at Washington. I refer now to the *Monthly Review* of the National City bank for February last, a bank which has very large real estate holdings in the farming areas and cities and towns of all Canada. The hon. member for Melfort said he believed that agriculture should receive the cost of production. He said there is a difference between cost of production and parity price, but agriculture is willing to accept cost of production to-day. An amendment was proposed last year by the hon. member for Haldimand (Mr. Senn), seconded by the hon. member for Qu'Appelle (Mr. Perley), reading as follows, as reported at page 1889 of *Hansard* of March 26, 1941:

> . . . that the government should take immediate steps to create a parity of prices as between agricultural and other products in order to improve the condition of Canadian agriculture and in order that it may receive a just and fair return, and thus be enabled to make that contribution to Canada's war effort which is so desirable, and which our agricultural population so greatly desire to make.

That question of parity was investigated at Washington and the National City bank review refers to the proceedings, pointing out that for many months the upward movement in prices had been led by farm products, and as far as Mr. Henderson's powers are concerned this rise can continue, for he is stopped from placing ceilings on farm products below the highest of certain points, namely, 110 per cent above par for parities on certain commodities of agriculture, that is, a ten per cent increase, parity being the term used to signify the same relation between farm prices and prices of things that farmers buy as existed in 1909-14; the Ocotber 1, 1941, price; the December 15, 1941, price; and the 1919-29 price average.

According to this formula there would be room for advances in a majority of farm commodities, ranging from about ten per cent in cotton to about forty per cent in corn, before ceilings could even be considered. Moreover, no ceilings can be established without Secretary of Agriculture Wickard's approval, and it should be understood that

parity is not static, but moves up as prices of goods farmers buy move up. If these rise, permissible price ceilings also will rise. In the last paragraph reference is made to the veto power given to Secretary of Agriculture Wickard. Hon. members will understand that the secretary has that power. He urges them to be satisfied with parity, ten per cent above par. At the end we find this:

If the rise in farm prices is to be checked short of the permissible ceilings, the soundest way to do it is through increasing production and selling government stocks. Meanwhile the restrictions on farm ceilings constitute one of the two grave weaknesses of the act. The fact that "parity" prices rise with other prices makes the parity formula a perfect device for contributing to the inflationary spiral, and the rise to date in the cost of living, which has been more in food than in other items, is prompting labour to make fresh wage demands. The executive board of the congress of industrial organizations, meeting in New York on the 26th, called on all its affiliated unions to demand substantial wage increases whenever new agreements are negotiated with employers. The danger is that if these increases are granted they will raise prices, farm prices parities and permissible ceilings will also rise, the cost of living will advance, and the cycle will be repeated.

According to past experience direct price controls, to the extent permitted by the act, will not be able to deal effectively with an inflationary spiral. The act leaves the real burden upon the treasury and congress, which determine fiscal policy, and upon individuals. There is need for cooperation, restraint, economy, saving and production.

It will be seen at once that the United States secretary of agriculture there is in control. May I point out that in Canada, with the formation of all these bureaucratic boards which have been set up to regulate industry, trade and commerce, we are facing a staggering debt. No one can tell what they are costing, and if ceilings are applied to only fifty per cent of our war-time economy and war industries, and excluding agriculture and other callings, then I feel that a great mistake has been made, and I fear in the future for the economic safety of the state and its solvency. The ceilings are interfering not only with production and industry but with the proper solution of other industrial and economic problems, and I believe that after the war they will cause untold trouble.

The bill is now before the house for second reading, and I believe I can say truthfully that every citizen in Canada wishes to see agriculture established on a sound basis. There is a very warm feeling in Ontario toward the people of the prairie provinces who have suffered. But let me point out that I believe the farmer in Ontario has suffered nearly as much. Some of the industrial workers have found themselves in very hard circumstances, and I can say that in many cities of Canada some poor people have not had enough to keep body and soul together. The lot of those who suffer from priorities unemployment is a hard one, and they are out of work.

May I repeat what was said yesterday by the hon. member for Essex South (Mr. Clark), that the ceiling prices which have been proposed for tobacco, sugar and other commodities and other crops in Ontario have not been a success. I plead for the old province of Ontario, because it seems to be the forgotten province in the dominion in direct aid to farmers and industry and industrial workers. The two industrial central provinces have suffered most heavily, and they are paying more in taxes and nearly 80 per cent of the cash taxes. I say there should be an agricultural policy in these three bills and not a political policy. The people of Ontario, however, are not going to object to the ceiling prices, if they will win the war. They are prepared to make any sacrifice whatever, no matter what the cost is or how drastic, so long as they know they are contributing to the war effort. They will stand for anything to win the war. I do say, however, that some of the orders in council have been drawn up by amateurs and theoretical or academic men, or men who have had no practical experience in any ordinary competitive business practice, and are forced over parliament's head on our employers and employees, and some of these orders in council will not amount to anything to help win the war.

Mr. W. G. WEIR (Macdonald): Mr. Speaker, I hope the hon. member for Broadview (Mr. Church) will pardon me if I do not attempt to follow him in his remarks this afternoon. We are now considering the second reading of Bill No. 13, to amend the Canadian Wheat Board Act. This amendment affects only two words, namely that the price shall be changed from seventy cents to ninety cents a bushel, and there is a reference to mills. After the bill receives second reading it will go to the committee on agriculture and, I have no doubt, at that time will receive further review. I am wondering how much time need be taken in consideration of the measure now, when other opportunities are provided for discussion.

In a few remarks I made some time ago in the house I concluded by saying that the people of Canada are prepared to undertake any task the government may set for them. All they ask in return is that the responsibilities and rewards for those tasks may be as equitable as possible. I believe that applies to the people of Canada generally, but I can

assure you, Mr. Speaker, it applies just as strongly among the farming population in Canada as it does among any other group. The farmers are prepared to do their part, and they ask only that they be assured of a reasonable degree of equity.

To my mind the government's programme recognizes the essentials of that degree of equity, and so far as possible there have been honest endeavours to meet it. After listening to the statement made by the Prime Minister (Mr. Mackenzie King) a few days ago with reference to the unfortunate happenings at Hong Kong, and after seeing to-day's press dispatch from the minister of food supplies in Great Britain announcing that there will be no more white bread served in the old country after April 1, I am wondering whether our difficulties are, after all, so very serious.

Just at this point may I ask one other question—and of course I do not expect an answer. I do not know what the new policy in Great Britain will involve. I hope it does not mean there will be any less foodstuffs for the people over there. I believe, however, that it will mean a higher extraction from wheat, and as a result they may require less wheat from this country or elsewhere to feed their population. In the end it may mean that we have aimed too high in the amount of wheat we may be able to sell outside the country.

In any event, our job as farmers and as Canadians generally is to put our shoulders to the wheel to do our part in every way possible toward prosecuting the war to a successful conclusion. Admittedly there are difficulties in the way, as far as agriculture is concerned. There is no part of Canada's economy as widely diversified as agriculture. This fact comes right back to the doorstep of the Minister of Agriculture (Mr. Gardiner), and he is obliged to pay attention to every angle of it. He must consider the problems of the fruit growers, the tobacco growers, the sugar beet growers. He must consider the problems of the dairy farmers, the beef cattle producers, the hog raisers, the grain growers and the corn growers. All these different branches of agriculture require attention, and each must be dealt with in some manner. The minister must deal with all of them. I believe he recognizes his responsibility in that direction and has made an honest effort to meet the conditions obtaining in each branch of the industry.

Even in the western provinces there is a wide difference with respect to the general situation. A policy that would suit one western province might not be entirely satisfactory to the others. For example, Saskatchewan obtains about 70 to 75 per cent of its income from the production of wheat; that is its major source of income, and naturally the wheat policy of the country is all-important. In Manitoba the income from wheat is in the neighbourhood of 35 to 40 per cent of the total, so that the part that the price of wheat plays in any agricultural programme is not as important as it would be in Saskatchewan. I point this out merely to illustrate the problem which must be met.

Another feature is that western agriculture is tooled up to the production of cereals. Since the war began we have seen the difficulty that this country has experienced in revamping its economy from peace-time to war-time production. One of the greatest difficulties has been in retooling. That difficulty also affects agriculture. It is not easy to swing over to some other type of production. Even if it were possible or desirable to do so, that is one difficulty which must be faced.

I think that in the long run the policy which the Minister of Agriculture has developed during the past number of years will be found to have been generally a sound policy. It may not have been all we would have liked it to be, but I believe that in the years to come as we look back we shall realize that it was a step in the right direction. I think the Minister of Agriculture deserves more credit for his efforts than a good many people have been willing to give him.

There is another angle to the farm situation which should be considered. After all, a farm is not very much different from an ordinary business except that it also provides a home for the man who runs it.

Mr. HOMUTH: That is no different from a small business.

Mr. WEIR: If my hon. friend will be patient, I was going to show that. A farm requires capital; it requires power, whether from tractors or from horses; it requires labour and it requires markets. But above all, it requires efficient management. Sometimes we do not recognize the importance of these things and the part they play in the general farming set-up throughout Canada. These separate farm units should be considered as little business concerns scattered over western Canada. When we consider that there are some 300,000 of them we realize immediately the importance of the industry to the general economy of this country.

It is regrettable that we should at all times in this house picture the least fortunate of our farmers. There are some farmers in western Canada who came through the depression fairly successfully. Why should we not

pick out these men and show what they have done? I think this should be done to a greater extent than it has been done in the past. The example and experience of these men should be mentioned so that others may profit from their experiences.

So far as western Canada is concerned, the main difficulty has been low yields, coupled, of course, with low prices. No matter in what direction you go you will find that the areas that have suffered from no crops for one reason or another are those that are in difficulties. It could not be otherwise. As long as recurring crop failures occur in any area, that area will be in difficulties, and attempts have to be made to relieve it as much as possible.

I should like to say a word in regard to the measures to be adopted next year for the handling of wheat. The other day the Minister of Trade and Commerce (Mr. MacKinnon) placed upon the record the estimated carryover of the United States, Canada, Australia and the Argentine at the end of July next; he gave us a figure of 1,370 million bushels. Canada's part of that carryover is estimated to be about 400 million bushels. I would point out that in this regard Canada's position will be better by about 80 million bushels compared with last year. My view is that we should not deplete our wheat stocks. In other activities in connection with the war we are using up our production just as fast as it can be brought forward. Apparently wheat is the only thing that we can stock as a reserve. It may prove to be one of the best assets we could possibly have, probably the only tangible asset, when this war is over. I think we should attempt to keep a reasonable carryover of grain in this country.

So far as the farmers in my particular locality are concerned, I think I express their views when I say that they would prefer more emphasis placed upon payments on a bushelage rather than on an acreage basis. I do not consider the latter is the most equitable way in which to give assistance. Several areas in southwestern Manitoba have had difficult times for a number of years, although conditions this year are expected to be more favourable. This year, however, the northwestern part of the province has suffered very heavy crop depletions.

Everyone whom I have met lately has considered the acreage bonus scheme a reasonable means of assistance, but they all would like to see it carried out on a more individual basis. They believe that this would be more equitable, that it would give assistance to those who need it most rather than, in a few instances, to those who probably do not need it. Ever since I have been in the house it has been recognized that the responsibility for taking care of the individual rests with the municipality. It is only when that responsibility reaches a magnitude where it cannot be handled that there is justification for other branches of government stepping in. If there were nothing in the nature of assistance as provided by the Prairie Farm Assistance Act, the responsibility of taking care of those who need it would rest with the municipality or with the provincial government.

Mr. HANSON (York-Sunbury): That is the constitutional position.

Mr. WEIR: I would point out that in this measure that position has not been departed from. The farmers in the municipality contribute to the scheme on a bushelage basis, as they would have to do if the municipality had to bear the cost. Likewise, all the farmers in the province contribute to the scheme through the one per cent deduction on the grain they market. Then, if it requires further assistance, the federal government comes into the picture, the difference being that the federal government is behind the guarantee, whereas ordinarily, if the responsibility were left entirely to the municipalities, it would likely not pass beyond them or the provincial government.

If our policy were to place the emphasis on price per bushel rather than upon acreage basis, and recognize it as a contribution from the state, the thirty cents increase in the price per bushel of wheat to the man who has twenty bushels to the acre is equivalent to an acreage bonus of $6 an acre, and if the assistance were simply on a price per bushel basis the farmer who was unfortunate enough to have no crop would be carrying on with little or no assistance. The assistance would be given to the man who was fortunate enough to have a crop. I point this out to establish if I can that the scheme of price per bushel, plus acreage bonus, is a much more equitable basis for giving assistance than a straight bushelage basis alone.

Mr. HOMUTH: How about the man who has no crop?

Mr. WEIR: Under the bushelage assistance alone, even if the price were $2 a bushel, he would get nothing.

Mr. HOMUTH: Quite so, but what is he going to get now?

Mr. WEIR: He will get the assistance provided under the Prairie Farm Assistance Act and the Wheat Acreage Reduction Act.

Mr. DOUGLAS (Weyburn): Provided there is a crop failure in that area.

Mr. WEIR: Yes, naturally, I join with those who expressed disappointment that the government was unable to go further toward meeting the requests of the very representative delegation from Saskatchewan which met the government in January. I attended some of the meetings while that delegation was here, and I think their presentation was well made and their requests were reasonable. The farmers of Manitoba were not officially a part of that delegation, but I can assure you, sir, they were none the less interested. They did make representations to the government, but they did it through their regularly constituted national organization, the Canadian Federation of Agriculture, and as between the representations made by the two organizations, the delegation from Saskatchewan and the Canadian Federation of Agriculture, there is not sufficient difference to make any distinction.

Mr. HANSON (York-Sunbury): Why not make representations through their members of parliament?

Mr. WEIR: Very true, and I can assure my hon. friend that they did make representations through their members of parliament.

Mr. HOMUTH: Which was the most successful?

Mr. WEIR: That is a matter of opinion. I would go so far as to say that probably all had a little something to do with it. I am not claiming anything else at this time.

Mr. MacKINNON (Edmonton West): A good answer.

Mr. WEIR: I should like to take a moment to point out what the government has done in recognizing the situation that prevails in western Canada. In the first place we have an increased price per bushel of twenty cents. We have the delivery quota increased by fifty million bushels, and I only hope that the volume which the government plans on shipping abroad can be maintained. We have, in addition, a guaranteed price for flax of $2.25 a bushel. I listened with a great deal of interest to the address made yesterday afternoon by the hon. member for Danforth (Mr. Harris). I think everyone recognizes that when the difficulties developed in the Pacific they threw upon us immediately the problem of producing oils to replace those formerly imported. I commend the government strongly for fixing a guaranteed price for flax, but I submit that they have not been any too generous in that regard. I know that in Manitoba flax is a very hazardous crop to grow and last year very few farmers received a yield or return that was worth while. Probably more should be done, because of the extreme importance of oils to guarantee a substantial supply of flax.

[Mr. Douglas (Weyburn).]

In addition, the government has put a floor price of 60 cents a bushel on barley and a floor of 45 cents a bushel on oats. The government also took steps a few weeks ago to assist the sugar beet producers. Then we have the wheat reduction policy continued on a basis of $2 per acre, coupled with a continuation of the Prairie Farm Assistance Act.

Therefore on the whole the government has recognized the representations made to it and to a large degree, if not entirely, has met them.

There has been a good deal of discussion as to how much the farmer actually received for his wheat in the past year. The Searle Grain Index has been quoted on many occasions, and I should like to quote this paragraph from its last issue:

> It is interesting to note that for this present crop that is now being marketed the farmers, on the average, have received or will receive the equivalent of approximately $1 a bushel for No. 1 northern Fort William. This is made up of 74 cents, the open market value of wheat, and an additional 26 cents given by the government in the form of various acreage bonuses, making $1 in all.

That is the viewpoint of an outsider with respect to what has been done, and the price this year is raised to 90 cents.

I now come to another point. Those who recall the discussion last year will remember that an attempt was made to have an assured income for the three western provinces of $325,000,000 or thereabouts. Actually their income has turned out to be much higher, nearer to $400,000,000. The Minister of Trade and Commerce the other day intimated that on the basis of the policy for next year the return to the three western provinces would be in the neighbourhood of $475,000,000, plus about $30,000,000 in bonuses. That certainly indicates some improvement, and it is to be hoped that the results will be as he forecast, but again I point out that much depends upon the crop which will be produced, something over which nobody has any control.

A good deal has been said about parity prices. I do not propose to discuss that subject beyond pointing out two or three things. I do not think we can take the position of attempting to establish a parity price for one particular product alone applicable to a large area. In other words, if we are going to emphasize parity prices for the three western provinces, we should take in the general income of the provinces combined. Admittedly that income or estimated income is not up to so-called parity of 1926-29; nevertheless there has been a definite improvement. I have a table here showing the cash income from the sale of farm products dating back to 1926-27. That income

in 1926-27 was $525,000,000; in 1927-28, $571,000,000; in 1928-29, $562,000,000. The estimated income for 1940-41 is $410,000,000, and if what is contemplated under the present programme is carried out and the results are as anticipated, I would think that our income for this year would be substantially improved. Undoubtedly certain areas would suffer, but here again I would point out, on the basis of these same figures, that the income back in 1931-32 was down to $167,000,000. That, Mr. Speaker, is one of the chief difficulties from which the west is suffering—the accumulation of indebtedness, the depletion of live stock, the wearing out of machinery, the lack of paint on buildings, everything connected with a depressed farm income. The correcting of that condition is one of the big problems of western Canada to-day.

If we carry through this idea of parity prices, I think we shall have to recognize at least two and possibly three circumstances connected with it. The first is that it is going to require control. We could not hope to have high wheat prices without some control, when the state is buying the wheat. At the same time, under existing conditions, and probably even under normal conditions, we would have to recognize priorities and the control effected by their use. Does not any attempt to equalize these things largely resolve itself into a question of taxation? I just point that out; I do not at the moment propose to follow it further.

An important feature of the farm situation in the coming year is the prospect of increased costs. Already labour is much scarcer and more expensive than it has been in the past two years. Added to that, the state has intervened in the matter of fuel oils; and those who are in the unfortunate position of having to buy feed grains, even for horse-power, are going to find it much more difficult to secure these essentials. Therefore, while it may appear at the moment that we are getting assistance of some value, there will be other and important offsetting features. Here may I read a letter which was recently addressed to me. If some one wants the name of the writer, I shall give it, but for the moment I would prefer not to:

I saw in Friday's *Free Press* a report that the freezing of farm labour and a bonus was being considered. If there is any truth in this report, and you have any influence for heaven's sake get on with the freezing part of it and bonus or no, talk about that after. You know of course my own boys are all in the air force and I think I told you I had a good tractor man (medically unfit). Now he tells me that he is going out to Vancouver to take a welding course and make 200 or more dollars per month. You may of course say that this is my worry, but this is what will happen if I can not locate another good tractor man or a good stock man. I can of course take either end myself but men in either category are just about non-existent. At present the intention is to turn off 100 to 125 hogs per year, 15 or 20 beef cattle, approx. 350 dozen eggs per month and grow 50 acres or more of sugar beets, and grow just whatever wheat the government decides is enough under present conditions. These are not visionary plans. I actually did this in 1941 and have the stock, buildings and equipment to repeat it or better in 1942. But if I lose my tractor man I will have to cut out sugar beets entirely, hogs down to one litter, cattle down to a pair of cows to supply the house and do the best I can with the grain end of it. To say we can use women or school boys is evading the question. There is no doubt we can use this kind of labour at rush times and no doubt will have to but the average woman or school boy could not take a tractor and hook on to a power drill or most other power machinery. This is a resume of my own situation but there is no doubt that it could be multiplied by many thousands throughout the country. It goes without saying that I shall do my best to carry on as I have been, both because the country needs the bacon, beef, eggs and sugar more than grain, and because I think it is the right kind of farming and something I was building up to long before the wheat situation became acute. However the chances of me being able to continue this way are anything but bright.

I point that out as indicating a situation which I fear is going to arise in connection with farm labour not only in the west but all over Canada.

Let me now refer to another matter. There are some brighter spots of which we should, I think, be reminded. We have just had a very successful campaign to raise a war loan; every part of Canada, including the west, has responded well to that appeal. I notice that the municipalities of our province find themselves in a much better position than they have been for some time. I am not saying this to indicate that there are not hardships and misfortunes in many areas in Manitoba, but I point out that there has been and still is an improvement. I hold in my hand a statement which was made by the municipal commissioner of Manitoba, and I should like to read two or three paragraphs. He says:

There has been a reduction in the unmatured capital liabilities of municipalities between 1935 and 1940 of over a million dollars.

At the end of 1935 the municipalities owed for municipal commissioners' levy, including trunk highways, $499,452 while in 1940 it was down to $365,907 and at the present time the arrears, not including the 1941 levy, are less than $200,000.

At the end of 1935 the municipalities owed the government in defaulted debentures, seed grain, fodder, and drainage liability $1,641,419, while in 1940 it had been reduced to $623,957....

There has been a further improvement in the financial position of rural municipalities in Manitoba at the end of 1940, notwithstanding that assessments continue to decline, being

approximately one million dollars less than in 1939 and some fourteen and a half million dollars less than in 1935.

The taxes levied have increased slightly in 1940 being one hundred thousand dollars more than in 1939, and seven hundred thousand more than in 1935.

Municipal tax arrears are lower in 1940, being forty-two thousand dollars less than in 1939, and two million, one hundred and forty-five thousand dollars less than in 1935.

During 1940 the percentage of collection of taxes, current and arrears, was 96·76 per cent of the current levy, while in 1939 it was 102·15 per cent and in 1935 it was 85·97.

During 1940, of the 169 municipalities under review, 115 operated on a cash basis, as against 109 out of 170 in 1939, and 44 out of 170 in 1935.

I think it is only fair to point out some of these things, as indicating that some improvement is being made, and that, coupled with the programme which the government has announced its intention of carrying through, and provided we get a crop, it should continue in succeeding years.

I reemphasize that the real problem of western Canada to-day turns on the matter of debt. Manitoba is not privileged by having debt adjustment legislation whereby it can adjust many of the cases which should be dealt with. That legislation has been done away with, but I hope it will be renewed, because I believe it is still necessary in many instances. If we consider most of the causes of distress and hardship we shall find that they hinge largely round two things—crop failure and accumulated indebtedness—and these problems have to be faced up to in any programme that may be undertaken.

There is only one other thought which I wish to pass on to the house at the moment. It would appear that we are going to be confronted with restricted markets, particularly for wheat and other cereal grains. Western Canada in the main is geared up to produce cereals, and wheat has proved to be the most satisfactory crop that can be produced there. Experience has been that it will stand more damage, more drought, more hardships than any other crop. If we are not going to be able to produce wheat to the extent that we have, then the situation will have to be faced. I think we should be making plans now to develop some other type of production suitable to that vast area. I do not know what it will be. It may be that we can utilize that area for growing other types of products. At any rate, I submit that there is opportunity there for a very far-reaching and fundamental type of research.

Surely that area is capable of producing something. The sooner, therefore, we try to find out what its possibilities are, the more satisfactory will the situation become out there. Investigations have been going on in other parts of the world for the purpose of finding new uses for many agricultural products. Surely we can lend our hand in this regard, in some way or another, to see if new uses for products or new types of products cannot be developed for that vast area if it is to be taken out of wheat.

Mr. CARDIFF: How much has hog production been stepped up in that part of the country?

Mr. WEIR: I have not the percentage before me, but I can assure my hon. friend that hog production in Saskatchewan, particularly in the last two years has gone ahead by leaps and bounds. It has doubled itself in the last two years and, while Manitoba was always substantially in live stock production, Saskatchewan went out of it for a time because of drought conditions. It is only now getting reestablished, and no doubt it will make further progress along that line.

While many of us would like to have seen the price fixed at $1 a bushel, nevertheless we must be grateful for what we are to receive. We have a 90-cent price together with bonuses, and in the end we may secure out of this something in the neighbourhood of $1 a bushel. After listening to the masterly speech by the Minister of Agriculture the other evening and his general review of the entire agricultural situation, and what has been done with respect to it by the government, I do not think anyone can say that the representations by those who came to Ottawa to urge certain things on the government were not given every possible consideration. I do not think anything was left out in the consideration of the different requests that were made on behalf of those who appealed to the government. The government has taken the requests into consideration, and from its general review has undoubtedly come to the decision that the programme which it has placed before parliament is the best that it can offer under the circumstances which exist at the present time. The amendment put forward by the hon. member for Weyburn (Mr. Douglas) is, I take it, a want of confidence motion.

Mr. DOUGLAS (Weyburn): The Minister of Agriculture said it was not.

Mr. WEIR: Well, if the amendment were carried, where would we be? We would be back with the act as it was last year, without any provision having been made to increase the price. I am prepared to say that the programme of the government as outlined and placed before us is a programme which most of us can support and for which we are

grateful. I doubt if any other government or any other political party at this stage in Canada's development, and at this stage of the war, could have done more.

Mr. A. M. NICHOLSON (Mackenzie): I have followed very closely the remarks of the hon. member who has just taken his seat (Mr. Weir), and I agree with him that often when we have discussed particular cases that exist in western Canada the conclusion is drawn that we are attempting to suggest that those conditions represent the conditions which prevail in every home. That has never been the intention of any who have spoken in this section of the house. The hon. member for Peel (Mr. Graydon) some time ago visited the farm of the hon. member for Melfort (Mr. Wright). He made a flattering reference in the house to the hon. member for Melfort as one of the most prosperous farmers in the west. The house might be interested to know that when the hon. member for Melfort came back from the last war, where he had an enviable record as an officer with the armed forces, he looked over Ontario, Manitoba, Saskatchewan, and the Peace River country carefully and decided that the most promising part of Canada was the Carrot River valley. While this is not in my constituency, I agree that it is one of the finest areas anywhere in the dominion. The hon. member for Melfort has had the good fortune to have an average yield of over thirty bushels an acre for his wheat for twenty years in succession.

Mr. GRAYDON: He knows how to farm.

Mr. NICHOLSON: Yes, and he has good land and good judgment. If every farmer had been able to get thirty bushels an acre by working hard on good land, we would have different problems to face to-day, but we would not have solved them. The hon. member for Macdonald indicated that the drought areas had been largely responsible for our predicament, but if we had had bumper crops during those years, the problem now confronting us with surpluses would have arrived some time ago. While there are many people in parts of Saskatchewan who have had good crops and have been able to pay their taxes, it is fair to consider the average farm income in a province and compare the return with the income of other groups and to decide whether those who are producing agricultural products are getting a fair share of the national income.

I have been disturbed by references made by some members, in private conversation, to the problem that we are now discussing. It has been suggested that those of us who speak on this subject are whiners, that we could not be satisfied under any circumstances. One hon. member said last night that he had been here a great many years and had heard the same old story over and over again and would listen no longer. I submit that my duty as a member is to sit in as one of a group of 245 charged with the responsibility of looking after a rather large family of over eleven million people. Whether we like it or not, we are living in a society and not in a jungle, and we must have controls and plans for the activities of our people, so that we can give direction along certain lines. I would remind the house that we have a problem in western Canada, and I think it is fair to say that the agricultural problems all across the country have never received the consideration that they deserve from the parliaments of the dominion. Particularly at the present time the wheat problem so far has not received in this house the consideration it should receive.

The recent victory loan campaign gives material for careful consideration. The Department of Finance, which is charged with the business of getting money to run the war and carry on the business of the country, has to get the money where the money is. I think we all agree that the Minister of Finance (Mr. Ilsley) is doing a very good job according to the rules laid down by the government. In planning to float this loan he asked the people in my province to raise $8,000,000 and the people in the city of Toronto to raise $180,000,000. The population of Saskatchewan, according to the last census, is 888,747. The population of Toronto, according to the preliminary report, is 657,612. The Minister of Finance asked the people of Saskatchewan to raise $10 per person to help win the war, while the people in Toronto were asked to raise over $273 per capita. Hon. members will say that a great deal of the money in Toronto represents the accumulations of corporations carrying on business all over the country, and some of this money is trust money. But the fact remains that this money is spent under the direction of people residing in Toronto, and it is clear that these large sums available there for investment in victory bonds were not available in the prairie provinces during recent years. There is something wrong with our economy when such a large group of people are recognized as being able to contribute so little. No one has ever suggested that the people living in Saskatchewan are less patriotic, less willing to contribute in any way possible than those elsewhere.

Nothing would please me better than to be able to return to my constituency during the

Easter recess and assure the people there that the burdens of this war are being carried as fairly as possible by all groups in the country, but how can I do so when over 800,000 people are found to be in a position to contribute only $10 each, whereas the position of people in Toronto is so very different? The government at this time should see to it that all groups in the country are called upon to make real sacrifices. In checking over our income tax legislation I learn that the Minister of Finance feels that he has gone about as far as he can in boosting the rates on people in the higher income brackets. Do hon. members realize that after having imposed the heaviest income taxes ever known in Canada, by legislation based on the assumption that provincial governments would withdraw from the field, those in the higher income brackets still have a very substantial sum left after paying the taxes, as shown by the following figures based on 1941 rates:

Income	Tax	Remainder	Per day
$ 20,000.....	$ 9,105	$10,895	$ 36
50,000.....	28,392	21,608	72
75,000.....	45,887	24,113	80
100,000.....	64,347	35,653	105
200,000.....	143,795	56,205	187
500,000.....	411,720	88,280	294

The amounts per day are calculated for our convenience on the basis of six days a week and fifty weeks in the year, or three hundred days. These figures are for a single person without dependents.

The people in these groups are those who have something at stake in this war in which our democratic institutions are being challenged and I submit they have not commenced to make sacrifices while they are left with the daily incomes indicated.

It has been suggested that we in the west are like poor relations, always coming to the treasury and saying, gimme, gimme, gimme. Let me remind the house that it is not a new condition in Canada for poor people to come asking the government for help. Many years ago the poor manufacturers in Canada found themselves competing in a ruthless world with more powerful groups in the United States prepared to flood their markets and force down prices. So these poor manufacturers came to the rulers of that day and said, "we want help." And they got it. They got lots of it, and as one hon. member reminds me they have had it ever since. Let me refer the house to the information that the late Norman Rogers placed before the people of Canada, showing what tariff costs in 1931 amounted to. He showed that every province with the exception of Ontario and Quebec suffered a substantial loss by reason of the tariff. The figures he gave were as follows:

[Mr. Nicholson.]

Province	Per capita loss
Prince Edward Island.....	$17 88
Nova Scotia.....	12 28
New Brunswick.....	11 67
Manitoba	13 25
Saskatchewan	28 16
Alberta	26 93
British Columbia.....	22 33

Whereas in Ontario the per capita gain was $15.15 and in Quebec, $11.03.

He also showed that the people of Manitoba, Saskatchewan and Alberta in the year 1931 paid $86,323,421 more for what they bought than they would have paid but for the tariff. Is it not then clear that the government of that day, in imposing such a burden on a group of people to give to another group, were following a policy of helping poor people?

I wish all hon. members had been in the Chateau Laurier the other day to hear the presentation made to the Prime Minister (Mr. Mackenzie King) and members of the cabinet by the delegation from western Canada. I think all hon. members have received a copy of the brief presented, and I hope they have digested carefully the representations made. As far as I know, the reports given by a dozen representative members of that delegation have not been made public. I was particularly interested in the presentation made by the mayor of Moose Jaw. He showed that this is not a problem affecting only a few farmers in an isolated part of Canada, but one that affects the lives of hundreds of thousands of people. He referred to book II of the Sirois commission report, page 100, containing the following statement:

> The people of Saskatchewan have suffered a reduction in income during the last decade which has probably been unparalleled in peace time in any other civilized country.

His worship quite rightly said that this statement covers a great deal of territory and a long period of time. He said it was significant that the mayors of the three largest cities in Saskatchewan were here supporting that delegation. They were here because they realized that if this problem was not solved, we were not going to have any cities. One hon. member with whom I discussed this question last night said it would be a good thing for all the people in Saskatchewan to leave and go somewhere else. He said he would not take $10,000 a year to live there. I asked where they should go. Starting with Toronto, I said, "How many will you take in Toronto?" He replied, "Oh, we cannot take any in Toronto; we have all we can look after; we do not want

any." We have over eight hundred thousand people in Saskatchewan, so let us start with one group of one thousand people. In the House of Commons there are 245 members. Is there one member of parliament who will say, "'All right, I will welcome a thousand people from Saskatchewan to my constituency, and they will be able to find work on the farms, in the factories or in the stores. They will find places to live, and they will become self-supporting citizens"? Where is that member? I say you cannot move a group of eight hundred thousand people simply by snapping a finger, and you cannot dismiss this problem in such an easy way.

Coming back to the delegation, let me refer to the presentation made by the reeve of a rural municipality. This man went to that community thirty years ago. He was young, and looked forward to spending the best years of his lifetime in producing necessary commodities—food for the nation. I know that this man has an enviable record in this community, and that he is one of the best citizens to be found anywhere in Canada. He said, "We owe our municipal doctor $6,000"—and I am speaking from memory when I mention that figure. They would not have had a doctor in that community, I suppose, had it not been for the fact that the people collectively had guaranteed that the doctor would have a proper return. But can we expect a young doctor to have his salary $6,000 in arrears over an extended period, when there is a scarcity of doctors all across Canada? Then, he said, "We owe $6,000 to the sanatoria in our province." As hon. members understand, our provincial sanatoria are supported chiefly from municipal revenues. This particular municipality had not been able to collect its taxes, and therefore had not been able to discharge its responsibility to the sanitaria. They cannot run indefinitely on good will; they must have money to pay their staff and buy their goods. This municipality was in a position similar to that of a great many others, namely, that it was unable to meet its commitments. He said, "We owe our teachers a large sum of money, and teachers cannot live without having some financial return, no matter how much they are concerned about the educational needs of the community. And so the teachers are going to Ontario."

The next speaker was a Roman Catholic priest, who came with the delegation. He said he had been the parish priest for twelve years in the parish in which he was born. He was in a position to deal with the direct relationship between the economic security of the people, and the providing of spiritual needs in his community. He said, "Think of my position: blessing twelve marriages in the last twelve years—only one per year. Young people growing up cannot take the responsibility of establishing homes under prevailing economic conditions. We are now in the position where we have more funerals than christenings."

Another member of the delegation was a United Church minister from Saskatchewan. He told us that he is now serving a community which was formerly served by five United Church ministers. It is unnecessary to deal with the social problems which arise, when the chief organizations in western Canada are unable to maintain their services, and have to withdraw.

Mr. FRASER (Peterborough West): They have a bad enough time right in Ontario.

Mr. NICHOLSON: I have no doubt they have; but I do not believe there is any part of Canada where the condition is as bad as it is in the west.

The Minister of Agriculture (Mr. Gardiner) has suggested that all the money that can be found in Canada for agriculture is being spent. I would remind the house that early in the war the Prime Minister said that whatever is physically possible will be made financially possible, or words to that effect. Those sentiments were endorsed by the present Minister of National Defence (Mr. Ralston) who was then Minister of Finance, and by the present Minister of Finance. That is the only policy that any government should carry out—that whatever is physically possible will be made financially possible.

Mr. GARDINER: I think I made use of the words "all that can be safely taken."

Mr. NICHOLSON: All right—"all that can be safely taken." Well, I hope the Minister of Munitions and Supply (Mr. Howe) is not proceeding on that basis. I hope he is proceeding on the basis that every factory which can work will work, and that every material that is needed will be made.

Mr. DOUGLAS (Weyburn): And that everybody will pay for it.

Mr. NICHOLSON: I would hope that the Minister of National Defence is proceeding in the same way, and that he does not stop to see what the railway fare from Edmonton to Ottawa is. I would hope that he would not waste time to see whether we can spend the money to bring men in the army from Edmonton to Vancouver, or from Saskatoon to Halifax. I hope that we have reached the stage where we are not considering dollars and cents in that manner.

I should like to remind the house that the Minister of Munitions and Supply is spending money very freely—and I am not complaining about that. The evidence he placed before the house last year showed us that his department spent over $10,000,000 in providing capital establishment for the Alberta Nitrogen company; $11,000,000 for the Canadian Car and Foundry company; $14,000,000 for the Chemical Construction company of Niagara Falls; $10,000,000 for D.I.L. at Nobel; over $15,000,000 for D.I.L. at Ste. Therese, province of Quebec; $17,500,000 for the John Inglis company at Toronto; nearly $2,000,000 for the Ford Motor company; about $11,000,000 for the Otis-Fensom company, and over $14,000,000 for Sorel Industries Limited, along with a great many other items, bringing a total of $268,499,894.

Those figures were given nearly a year ago. Let me make it clear that I am not complaining about the sums of money the Minister of Munitions and Supply has spent, and I hope that every factory will be working to capacity.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. NICHOLSON: Mr. Speaker, before six o'clock I was discussing the activities of the Department of Munitions and Supply and the various departments of national defence. I was commending those departments for carrying out the stated desire of the Prime Minister (Mr. Mackenzie King) to use whatever money was necessary to see that Canada should make her greatest contribution.

I want to stress the fact that I am anxious that the government should avoid any policy which would lead to inflation, but I do not see how anyone can suggest that the introducing of parity prices for agricultural products could, by any stretch of the imagination, lead to inflation. Something should be said about this question of parity prices. In the United States in 1936 the soil conservation and domestic allotment act laid down these general objectives:

> . . . reestablishment, at as rapid a rate as the secretary of agriculture determines to be practicable and in the general public interest, of the ratio between the purchasing power of the net income per person on farms and that of the income per person not on farms that prevailed during the five-year period August, 1909-July, 1914, inclusive.

The present secretary of agriculture of the United States spoke over the air on May 19, 1941, in connection with the regular farm and hour broadcast from Kansas city. He was appealing to the people to give their go-ahead signal to the United States department of agriculture to carry out their plans for the coming year. I may say that on May 19 the secretary of agriculture was outlining the wheat policy for the 1942 year, while we find ourselves on March 12 debating our policy. It might be stated that the policy outlined in the United States included the fall seeding of wheat. Mr. Wickard went on to say in this broadcast:

> As you all know, parity is one of the most important objectives of the national farm programmes and will continue to be a goal, just as soil conservation, for example, will continue to be a goal. We've been trying to reach that parity goal since 1933 and we've made a lot of progress.
>
> This administration developed the parity concept and the president has worked for it all along. Had it not been for such setbacks as the supreme court decision which killed the original Triple-A, farmers probably would have had parity long ago. The president is still working for parity and in this connection, I have some grand news. I talked to the president only a few hours before I left Washington. He told me he wants the basic crops to reach parity this year. He told me also that he thinks wheat farmers, taking loans and payments into account, will get parity on this year's crop.
>
> This news is further proof—although none is needed—that Franklin D. Roosevelt is the best friend that farmers have ever had in the White House.
>
> The president told me that he knew farmers want fair treatment and want to be fair in return. He said he was sure they did not want loans or money paid out of the treasury to bring their prices higher than parity levels. He told me—and I use his exact words—"In this critical time, you can depend on it that farmers won't rock the boat."

It is unfortunate that Canada has no policy similar to the one in force in the United States, and I shall have more to say about this later.

To explain it simply, a parity price for farm products is a price that will enable the farmer to buy in the market an amount of goods similar to what he was able to buy during a basic period. There is always difficulty in deciding what the basic period shall be. In the United States they have taken the period 1909-14 as the base period. There would be objection to taking a similar period in Canada in view of the fact that at that time we were passing through a period of unusual expansion. Great numbers of people were coming to Canada from Europe; great numbers of United States citizens were coming north to take advantage of our cheap land. No doubt there would be objections in certain sections of the community to taking 1917-1919 as the base period. During that short time agricultural

prices were at the highest levels in Canadian history. So our bureau of statistics has taken 1926 as the base period.

I am not prepared to admit that there ever has been a period when the farmer has had a fair share of the national income, keeping in mind his investment in land and equipment and providing a rate of wages for the farmer and his family in connection with the production of foodstuffs. For example, if you assume that the price the farmer paid in 1926 for a pair of shoes was $5, and the price he received for a bushel of wheat was $1, he was able to get a pair of shoes for five bushels of wheat. If you agree that that is a fair price for wheat and a fair price for shoes, you can start from that base. But when the farmer has to give ten bushels of wheat to buy the same pair of shoes, you must assume that there is something wrong with the price of your wheat or with the price of your shoes.

The most recent information available in Canada in connection with spreads was that placed before the Stevens' investigation, and I should like to draw attention to some of this interesting information. Those hon. members who use tobacco will be interested in knowing where their money goes when it goes up in smoke. My Scottish environment and tradition would not permit me to pay so much for so little. So I have never smoked. Those who paid twenty-five cents for a package of cigarettes in 1934 gave 11·1 cents to the government in the form of taxes; seven cents to the manufacturer; 3·3 cents to the retailer and 2·2 cents to the wholesaler. The farmer received 1·4 cents. When you bought a tin of peas you gave the farmer 1·2 cents; you gave the worker in the canning factory 0·75 cents and you paid 2·4 cents for the tin can which was later thrown out on the garbage heap. When you bought a tin of tomatoes you gave the farmer slightly more, 1·5 cents; you gave the worker 1·2 cents, and for the larger can you paid 3 cents.

Mr. TUSTIN: From where is the hon. member getting his figures?

Mr. NICHOLSON: From the report of the mass buying and price spreads investigation. When you paid 10 cents for a quart of milk you paid the farmer 4·24 cents, but you paid the dairy company enough to replace broken bottles, pay for delivery services, income tax and operating expenses and leave a net profit of one-half cent per quart. These figures show the relationship between the return received by the farmer for these commodities, and the amount which went to the other interested parties.

We find a similar story in connection with farm implements. I have in my hand a report submitted to the legislature of Saskatchewan by a special committee, upon which the hon. member for Swift Current (Mr. Graham) played an important part. When the farmer paid $281 in 1936 for a binder in Regina he gave to the factory worker $22.62; he paid for raw materials $71.06; for overhead or burden, $33.93; for experimental work, $2.55, or a total cost of $130.16. The freight charges were $26.08, and the net sales realization amounted to $209.42. If you agree that the price paid by a farmer for a binder in 1913 was fair, you must conclude that the price he paid in 1940 was too high. In 1913 the farmer secured a binder for 261 bushels of wheat; in 1940 it took 637 bushels to buy the same or a similar binder. The objective of parity prices is to bring about such a price for wheat that the farmer can buy a binder in 1942 or 1941 or 1940 for the same number of bushels that it took to buy the same or a similar binder in 1926. I would ask the house, is there anything unfair about that? The Minister of Munitions and Supply (Mr. Howe) has gone on record repeatedly that it is unreasonable to ask any manufacturer to manufacture at a loss, and I have yet to hear anyone tell of a manufacturer of machine guns or tanks or munitions or any other war equipment who is losing money. The farmers are engaged in the production of food to feed our own people and allied peoples of the world. Is it fair that those who are engaged in this necessary activity should have a return for their services that is not on a parity with the return that is going to these other groups of society?

Coming now to more controversial issues, I was disappointed with some of the statements made the other night by the Minister of Agriculture (Mr. Gardiner). There are some things about the minister which I admire. When the government is in an awkward position there is no one on the other side who can rally the troops and make as good a case as the Minister of Agriculture. Referring the other night to the treatment we are giving our farmers he reprimanded the hon. member for Weyburn (Mr. Douglas) for suggesting that we should take pride in which is being done across the line and suggested that we take more pride in what is being done in Canada. He is reported at page 1210 of *Hansard* of March 10 as saying:

> When a man cuts down his acreage to the extent that the government says he ought to, they will lend him 98 cents a bushel on his wheat. They have made loans covering considerable amounts which I have in the records here. But if he does not cut down his acreage in accordance with their request, they will lend him only 49 cents on his wheat. In other words, in the United States they lend a man twice

as much on his wheat if he obeys the request of the government than if he does not. It is true that this has tended to set a floor under wheat of 98 cents a bushel in the United States provided the farmer does what the government asked him to do.

On the next page he says:

I should like to suggest to hon. members that I think it would be much better if we all went out and told the people what we are doing in Canada instead of telling them what they are doing in the United States. Despite what they are doing in the United States, the farmers of Canada have really been getting more for their wheat than the farmers in the Argentine and Australia. Of course, there are reasons for that.

What is the situation? I have here the report of the administrator of the agricultural adjustment administration, the AAA, in the United States for 1941. I wish the minister would use statistics instead of making general statements as he did the other night when he said that Canadian farmers are getting more for their wheat than the farmers of the Argentine and Australia. I inquired, how much more, but the minister carefully refrained from giving figures. I quote from page 20 of the report of the administrator of the AAA:

Canada alone had enough wheat to fill all available world import markets. Altogether, the world had 4 bushels of wheat for sale for every bushel the market would take. The price offered the export producers was correspondingly depressed and not far from the record-breaking low quoted on the Liverpool market just before it closed at the outbreak of war in 1939.

He is discussing the general situation. He goes on:

In Argentina, all buying and selling of wheat was taken over by the government, and producers were offered the equivalent of from 42 to 45 cents a bushel.

That is not so much less than Canadians are getting.

Australia instituted a licence system which required wheat farmers to obtain a permit to grow wheat and the government offered the producers about 51 cents a bushel on a limited production.

The United States programme, however, stands out in at least two respects. First, farmers were called upon through referendums and elections of committeemen who administer the programme, to share in the responsibility for choosing their course of action. Second, farmers cooperating in the programme received a return per bushel twice that received by producers in the other countries.

The report goes on:

This progress of the United States wheat grower was possible only because of the experience of years, experience that formed the background for the comprehensive ever-normal granary programme which has been in operation since 1939.

[Mr. Nicholson.]

Then, under the heading of "Guaranteed Return" the report says:

The 1941 loan rate of 98 cents a bushel plus the conservation and parity payments of 18 cents a bushel on a farm's normal yield of wheat is providing the programme cooperator a guaranteed average return of about $1.16 per bushel.

Since its inception, the loan programme has encouraged farmers to make use of farm storage where feasible.

The other night when the minister was speaking I interrupted and asked him, as reported at page 1210 of *Hansard:*

What percentage of United States farmers cooperated?

As I heard him he replied: "Not a very large percentage," but on thinking this over apparently he considered that that would be an unfair picture of what had been done in the United States and I find that although the *Hansard* reporter heard the minister as I did, the daily *Hansard* has been changed so that it reads:

Not a large percentage cooperated by accepting loans.

I should like the house to understand the situation. In the United States it was not possible for the government to accept all the wheat that might be grown. The Minister of Agriculture, speaking of what was done in Canada, said, as reported at page 1210 of *Hansard:*

We said to the farmer last year that if he did not reduce his wheat acreage, he could draw 70 cents a bushel, Fort William, or approximately 50 cents a bushel at the farm on his wheat, just one cent more than he could have drawn in the United States if he had done the same thing.

We did not say any such thing to the farmer. We said: we are not going to take more than 230 million bushels, and you will have to reduce your acreage to conform to that. The hon. member for Moose Jaw (Mr. Ross) last year said something to the effect that he was "not going to pay any attention to what the government suggests because over a period of years" he had "come to the conclusion that if you do what you think is best you will be better off." I suppose he will be able to market all he produced last year. But I submit that it is not fair; those who cooperated with the government in this country expected that the government would accept 230 million bushels, and for the minister to state that the farmers were given to understand that they could sell all the wheat they produced at 70 cents a bushel is misleading. The United States is in the same predicament. They cannot accept unlimited supplies of wheat, and so they said to their farmers:

If you will cooperate, we will make certain proposals. It was unfair of the minister to give the impression in the house that only a very small percentage of farmers in the United States cooperated with their government. I understand that 80 per cent of the farmers there cooperated in carrying out the request of the AAA to reduce their acreage and carry out the desires of the department. They had a loan in the United States which made it possible for the farmer to realize 98 cents a bushel, and as the minister correctly said, there was a heavy penalty for those who insisted on delivering above their quota. That penalty was 49 cents a bushel, but the report makes it clear that that penalty was not with a view to collecting revenue but for the purpose of seeing that the quota was lived up to and respected.

The United States farmers have been able to get a loan of 98 cents a bushel on the farm, and naturally when they can get that, the market price has to keep in that range. A great many farmers sold their wheat at the regular price, which was around this figure. I have some of the latest available figures here in reports from Washington, which I found in the library in the minister's own department. The latest report I have deals with the price of wheat in Canada, the United States, the Argentine and Australia. The average price on the 24th of October in the United States, at Buffalo, was $1.23⅞; at Montreal, 78·8 cents; at Buenos Aires, 54·2 cents; in Australia, 69·4 cents. It is explained that to get the average farm price you subtract from the United States price 30 cents, from the Canadian price 28 cents, from the Argentine price 13 cents, and from the Australian price 10 cents, which makes the average farm prices as follow: United States, 93 cents; Canada, 50·8 cents; Argentina, 41·2 cents; Australia, 59·4 cents.

Another Washington publication, "Crops and Markets", gives the average farm prices in 1941 in all the states. The figures given for the west north central area will be of interest; they are: Minnesota, 87 cents; Iowa, 98 cents; Missouri, $1; North Dakota, 81 cents; South Dakota, 85 cents; Nebraska, 97 cents; Kansas, 96 cents; or an average price to the farmer of 89·7 cents.

Mr. GARDINER: If my hon. friend would permit me I should like to make this correction of those figures, that I believe it will be found that as regards both the Argentine and at least half the amount the government assisted in Australia, payment was made on a bushelage basis, but any extra payments which were made here were made on an acreage basis, and they do not appear in that figure for Canada at all.

Mr. NICHOLSON: I am glad the minister mentioned that, because it gives me an opportunity of saying that in the United States they had an additional payment of 18 cents a bushel, bringing the price up to $1.16. What the minister says is true.

Mr. WOOD: Would the hon. member permit me to ask him a question?

Mr. NICHOLSON: I am sorry, but I have only a few moments.

Mr. WOOD: I think we should get this clear.

Some hon. MEMBERS: Order.

Mr. SPEAKER: The hon. member's time has expired.

Mr. NICHOLSON: I should be glad to answer the hon. member's question if I can have the extra time.

Mr. SPEAKER: I would remind the hon. member that his time has expired, and that unless he has the unanimous consent of the house he cannot continue. He has gone over his time.

Some hon. MEMBERS: Go on.

Some hon. MEMBERS: No.

Mrs. DORISE W. NIELSEN (North Battleford): Mr. Speaker, I intend to make my remarks at this time more or less of a general nature. I believe that the time for going into details on these various bills will be when they come back from the agriculture committee. Before I begin my remarks I would express the hope that, before the debate on agriculture with particular regard to our western farmers is concluded, we shall have the opinions of one western member, in particular, expressed in this debate. My reference is to the Prime Minister (Mr. Mackenzie King). I may sit on the opposite side of the house from him, but back in Saskatchewan we are next-door neighbours. I know parts of the Prime Minister's riding almost as well as I know my own; I know the feeling of the farmers there, and I believe I am correct in stating that the farmers in his constituency are anxiously waiting for a declaration of their own member's views upon this agricultural policy.

The things I should like to mention specifically to-night seem to me important, and I do not think any hon. member has expressed them so far in this debate. I suppose that all hon. members who represent agricultural ridings, indeed every member of the house, will agree upon the importance of food production as a weapon of war. I was pleased at the reference in the speech from the throne

to the matter of food as a war essential, and later, at a statement made by the Minister of National Defence (Mr. Ralston). On February 10, as reported in *Hansard* at page 448, he said:

So that, put in briefest form, our pattern of total war is a pattern consisting of food—

Mr. SPEAKER: Order. Do I understand that the hon. member is quoting from a speech made during the present session?

Mrs. NIELSEN: Yes.

Mr. SPEAKER: She is not in order.

Mrs. NIELSEN: I am sorry, Mr. Speaker; I had forgotten that rule. In brief, the Minister of National Defence was saying that there are three essential things in our war effort—food, armaments and supplies, and men. He added that it was impossible for him to say which of the three is the most important. It has been necessary—at least, I have found it so—to disagree with some government policies, but I have already assured the government this session that any specific measure they bring in which in my belief will really aid in the efficient and speedy prosecution of the war will receive my wholehearted support, both here and among the people of my constituency. I have already expressed that opinion with reference to the plebiscite.

But when we come to consider the agricultural policy as set out in these bills, I find it impossible to see that it will serve for the speedy prosecution of the war. I hope hon. members will realize that at a time like this there is no question, with me, of criticizing for the sake of criticism or for party advantage. In a time of national emergency no such consideration should motivate what any hon. member has to say with regard to government legislation.

The thing I particularly wish to mention is the question of wheat production by the bonusing of summer-fallow, which means, of course, the letting of land lie idle. I am forced to the conclusion that the policy of the government in bonusing summer-fallow is incorrect, because it is based upon an incorrect premise. The Minister of Trade and Commerce (Mr. MacKinnon) has said already this session, in substance, that as far as markets go we can only look this coming year to Great Britain and, to a limited extent, a few other countries. I recall also that at the beginning of the July war loan the Minister of Agriculture (Mr. Gardiner), when speaking about it to groups in this city—I believe, at one of the largest theatres in Ottawa—is reported as having said that we have to regard this war as lasting possibly five or more than five years longer. That, I assume, is the premise upon which the agricultural policy of this government is based, that we have yet before us a war of many, many years. In my view that premise is incorrect. It seems to me that it is one which is bound to result in complacency among the Canadian people, creating in them the feeling, "Oh, well, we have years and years ahead of us; we can more or less muddle along from year to year with policies which will tide us over from time to time", instead of realizing that at the present time we have come to the crucial stage of the war where we need to mobilize for speedy victory; for "if it were done when 'tis done, then t'were well it were done quickly."

There is at the present time a growing body of opinion in England, the United States and this country that if we are intent upon a very thorough prosecution of the war and a very thorough mobilization of our resources, we can create an offensive and go forward to speedy victory. I notice in our own newspapers in this city, to be exact, in the Ottawa *Citizen* of March 10, a report from London, England, as follows:

Soviet pressure for a second front in northern Europe which might swiftly link British, United States and Russian troops on a solid line was increasing in London to-night with considerable Anglo-American support. The Soviet argument heard now wherever Russians, British and Americans meet, is that Hitler can be beaten by autumn provided there is bold use of his own divide and conquer strategy against him, and that once he is disposed of Japan will be considerably less formidable to the United Nations.

There was also in to-day's *Journal*, March 12, another report saying that in *Free Europe*, an international review which is published in London, the statement appears:

An allied spring offensive in the west should have a good chance for success since the forces now concentrated in the British isles presumably are stronger than those the Germans have arrayed from Norway to the Spanish frontier.

Our own Prime Minister, when speaking over the air the other night, and thanking the Canadian people for their contributions to the war loan, said:

The present is the crucial year. Germany and Japan are staking everything on 1942.

I myself am apt to believe that it is necessary for us to encourage the people of Canada to act upon that premise, that were we to concentrate to a far greater degree than we are, and to which I believe we could concentrate, victory might come far more speedily than we have been anticipating. The longer we delay; the longer we fail to take the initiative, the longer it seems to me we are going to be and the worse our position is likely to become. Our forces are becoming divided and dissipated because we are in the position of

having to defend ourselves wherever the enemy creates a new offensive. It is a wrong idea for the people of this country to believe that time is necessarily on our side. At the present time every preparation should be made for greater expediency, with a view to strengthening every nerve and every particle of our resources to bring victory this year.

One of our own men, a man in whom I believe everyone in Canada has the greatest confidence, General McNaughton, was also quoted in the *Citizen* of yesterday as saying that the united nations will let no opportunity slip by to take the offensive against the axis. He said:

> We must resist the temptation to whitewash our forces all over the map. . . . We have never lost our intention of training our forces for attack in Europe.

Of course, we know that the Pacific situation is a ghastly one. No one is attempting to hide that fact. But I want to stress at this time that that is a part of the deliberate plan of our enemies, to distract our attention throughout the whole of the globe, if it is possible to do so. But we must never allow them for one moment to cloud or to blot out in our minds the certain knowledge that Germany is to-day the key centre of the whole world war, that in Germany the master minds and master brains who are concentrating on the world war are situated. Not only that, but in the Europe which Hitler is now dominating lies the bread-basket, the food supplies, of the whole enemy armies. Germany to-day is staking everything on 1942. Whether they and the Japanese between them will stage new offensives in the spring is, of course, a matter of conjecture, but it is, I believe, something with which every citizen is vitally concerned and believes is likely to happen. If it is possible, we of the allies have to make 1942 the crucial year and strike before the enemy strikes, to create diversions for the enemy and scatter his troops throughout the length and breadth of the continent of Europe.

We must do what we can to encroach upon the bread-basket of the axis. In that way we shall take the offensive of 1942, and 1942 will bring victory nearer for us. If we could do that; if we could by invasion of the continent destroy some of the seeded acreage which Hitler this year is counting upon for the feeding of his armies and those vast numbers of civilians whom he has under his control, then it seems to me we would bring the conclusion of the war so much closer.

The other day I was inquiring from the dominion bureau of statistics to see if I could find out the amount of wheat which was consumed in Europe just before the war started, and I was given figures for the year 1938-39. I do not know whether other members are like myself, but when I have a number of figures read to me quickly I find it difficult to absorb them and to see their relationship. I do not want to read over the figures of production and consumption of wheat in every country in Europe, but I should like to have these figures placed on *Hansard* because they are interesting and I believe they help to prove my argument. They are as follows:

In the fiscal year 1938-9, wheat figures for the following countries are, in bushels:

	Production	Consumption
Russia	1,360,000,000	900,000,000*
Hungary	113,102,000	64,900,000
Roumania	163,611,000	121,500,000
Yugoslavia	105,658,000	85,900,000
Bulgaria	71,155,000	54,200,000
Poland	83,407,000	75,400,000†
Lithuania	9,429,000	8,100,000
Turkey	169,309,000	156,400,000
Great Britain and Northern Ireland	64,413,000	273,800,000
Eire	9,520,000	20,500,000
Latvia	7,774,000	7,000,000
Finland	8,341,000	10,000,000
Sweden	31,384,000	26,200,000
Greece	38,291,000	46,900,000
Switzerland	6,360,000	23,100,000
Czechoslovakia	40,000,000	60,900,000
Denmark	15,065,000	21,000,000
Norway	2,551,000	9,600,000
Italy	293,945,000	297,300,000
Germany, including Austria	68,752,000	73,200,000‡
France	287,000,000	303,900,000
Esthonia	3,133,000	2,800,000
Portugal	18,400,000	18,500,000
Spain	105,700,000	123,000,000*

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In the fiscal year 1938-9, wheat figures for the following countries are, in bushels:—*Concluded*

	Production	Consumption
Belgium	12,822,000	57,600,000
Netherlands	15,304,000	38,100,000
Albania	....	1,790,000
Malta	279,000	2,000,000
	3,104,705,000	2,883,590,000
Excluding U.S.S.R.	1,744,705,000	1,983,590,000
British India	370,608,000	376,527,833
China	667,000,000	684,162,103
Supplied to India from:		
Australia		5,624,863
Canada		294,037
Other countries		933,000
Supplied to China from:		
Australia		10,975,950
U.S.A.		6,152,772
Canada		33,333
Other countries		48,000
China and India, total		24,061,955

* Approximate.
† And Danzig.
‡ Average 3 years.

If you take the total production of wheat all over Europe, including Russia, in the year 1939 it comes to around three billion bushels in rough figures. Their consumption was only 2,800,000,000 bushels roughly, but that was because Russia was producing far in excess of what she consumed. If you take Russia out of the picture and merely count up the countries of Europe under Hitler's domination, for the year 1939 you will find that their production was roughly 1,700,000,000 bushels and their consumption 1,900,000,000 bushels. In other words, the countries of Europe under Hitler did not produce sufficient wheat; they lacked roughly about 200,000,000 bushels. Besides that, there is the question of India and China. We did not send them very much wheat; they got most of it from Australia and some from the United States. But in 1939 they imported roughly 24,000,000 bushels.

If this spring the armies of the allies which are concentrated in England are ready for a concentrated attack upon Europe, even if they are short of some of the materials and equipment which they would like to have, it seems that the crucial hour has come when they must make even sporadic attacks. If it is possible for the allies to do this, particularly in the northern part of Europe and the Scandinavian countries, thus relieving some of the Russian armies to continue their drive down the Danubian basin, we can see where such an offensive might be the turning point of the war. Not only would it help to destroy the armies of Hitler, which in the last analysis are the armies that have to be destroyed anyway before we can hope for peace; an offensive in Europe would bring the war to the soil of Germany and the occupied countries and destroy Hitler's wheat fields. Supposing Hitler seeds this coming year as much as he did in 1939, which is not probable because of the question of man-power, if by a concerted offensive of the allies from both the British side and the Russian side we could destroy half the wheat reserves of Germany I think the figures which I shall place on *Hansard* will show that Germany or the countries under German control would lack over a billion bushels of wheat.

Australia is not likely to be able to supply India and China this year as she has done in the past, for lack of man-power for one thing, and the difficulty of shipping across the Pacific. Therefore we shall have to look after the needs of India and China as much as possible. Adding up these figures roughly, it is quite apparent that the surplus that we have in the four main wheat exporting countries will be needed. If we are able to take the offensive and destroy Hitler's European bread-basket, or even only half of it, we could by the coming fall and early winter bring in on our side in this war one of the greatest allies, the ally of hunger. If we brought in that ally before this winter is over, it may be the ally which will bring about the decisive break on the side of the allies. If that did happen, the surplus of wheat which we now have here in Canada would melt away like the snow before the spring sunshine.

[Mrs. Nielsen.]

I have to base my opinions on such information as ordinary people can gain from newspapers and current reports; I am not in the position of the Minister of Agriculture in that regard. Yet based upon this premise I believe that it is not a right thing for us to bonus land to lie idle in summer-fallow.

Mr. GARDINER: That will produce more wheat.

Mrs. NIELSEN: I believe in building up a reserve, the need for which may come upon us far more quickly than some of us are apt to think. Within the wheat belt in which the land can be used only for the growing of wheat I do not think we should bonus this year for summer-fallow, but the wheat farmers there should grow wheat on their land, except the amount of summer-fallow which they would normally have in the ordinary course of good farming. With regard to the marginal lands to the north of the real wheat belt, there the farmers should be encouraged to go in for raising coarse grains to provide other types of food which will also be so greatly needed. I am in complete agreement with the government in regard to bonusing for coarse grains, provided, of course, there is a parity price. But the money which will, if these bills pass, go towards bonusing land for summer-fallow could be used more effectively in helping the smaller farmers to produce coarse grains by subsidizing or helping them to procure machinery for the more efficient working of those small farms. The Minister of Agriculture knows, as we all know, that during the years of drought and depression machinery on the smaller farms has run down; we have all been in the fields and seen the old binders mended with a bent nail or tied up with string and that sort of thing. The smaller farmers have not efficient machinery. Some form of government bonus by way of supplying or helping to increase the machinery at the disposal of the small farmers so that they could produce coarse grains on a more economic basis would be money well spent. I am not saying that machinery should be supplied on an individual basis. It might be better that in those northern areas groups of these small farmers should try to work on a cooperative basis, if the government would help to supply cooperative units with power machinery for the more efficient production of coarse grains.

I had hoped also that the government would have considered and given to us in greater detail some plan for increasing industry in the prairie provinces. Speaking on an earlier occasion, I mentioned the problem of wool. None of the ministers have given us much information on that, but it does appear that in it we have an industry which, if given some encouragement by the government, might become a permanent one on the prairies and help to solve not only the problems of some of our farmers but also the problem of the unemployed in our cities.

The question of utilizing more fully this year the garden produce may seem rather a small thing, but were the government to help small cooperative canning centres for the fruits and vegetables produced on the prairies it would be a very great help, giving our prairie people an opportunity to do something more than they are at present doing. It seems an appalling thing, when you consider that to-day we are supposed to be waging a total war, to know that we still have so many unemployed. I know men can go and earn fifteen dollars a month working on the farms in northern Saskatchewan, but still there are unemployed in the cities. In the Regina *Leader-Post* of February 17, Mayor C. C. Williams, who, I believe, is one of those who came here on the farm delegation, is reported as stating that Regina still has one of the largest unemployment problems in the west. He said that there are on relief in Regina approximately 2,400 persons, 565 heads of families, and in addition many others who could be classed as unemployed, such as persons making a meagre living at part-time work. Others are getting by through exhausting the last of their small savings, and still others are able to stay off relief only by living with friends and relatives.

No government is waging total war unless it is making an honest attempt to find ways and means of putting to work every man and woman who is capable of working at some form of productive enterprise which will aid the efforts of this country.

With regard to prices, I feel that more must be said in detail in committee; but I am in agreement that this question of parity prices must be looked at as a war measure, if not as a permanent one. Personally I believe that it should be a permanent policy; but even as a war measure it is something that should be considered necessary, because without parity prices the farmers of this country cannot equip themselves for the production of food on an economic basis, or for the greater production of food which may be necessary as time goes on. The Minister of National Defence (Mr. Ralston) has spoken about morale. This session he said that there should be a place for the old, the young, the humble and the poor. One of the greatest factors in arousing a nation to a war effort is the morale of its people; that statement has

been made a dozen times in this house. In the winning of a war morale is a psychological factor, the value of which cannot be estimated in dollars and cents. It is true that the young and the old, the humble and the poor, must have a place in the war effort of this nation, those who look into the future with their young eyes and the old who look over the past years of their endeavour. We have these people out there on the prairies, and at the present time they do not feel that they are being given a chance to do anything toward this effort. I would say to you, Mr. Speaker, that we cannot afford to neglect these people, for it is out of such as they that the spirit of a nation is born and progresses.

It is the duty of a government to keep alight in the hearts of the people of Canada a flame of resolve to win this war. You cannot stop to count the cost of preserving a thing like the spirit of a nation. The policy of the government to-day in denying a parity price for wheat and other farm products I would say is a penny-wise and pound-foolish policy. On the smaller farms in Saskatchewan to-day, unfortunately, you have a defeatist attitude. You may hear the people, speaking among themselves, saying to each other, "How much worse could it be under Hitler?" You may hear them say to each other, "We are undernourished; we are ill-clad; we lack medical care and schooling; we cannot support our churches." If you turn round and say to them, "Well, you have democracy; you can still speak; you can still send delegations to Ottawa," they will turn to you in great bitterness and say, "Yes, we have democracy. We sent our delegation to Ottawa. We asked for a loaf of bread, and the government has given us a dry crust."

This is a very difficult problem. The farmers of the prairies will go on, because they are of the breed who will not admit defeat. They will endure. They will go out into the spring rains; they will plough the fields; they will go out in the heat and the dust of summer. They will produce; but they lack the machinery; they lack the barn space; they lack the power they require on these small farms. They will do their best; but they will do it with a feeling of despair in their hearts; and when there is bitterness, despair and unhappiness, and lack of morale, these are the things which can sabotage a war effort, no matter what the government may say.

Because of these things I shall support the amendment which has been moved by the hon. member for Weyburn (Mr. Douglas). It is the job of the government to provide the sinews of war. Parity prices, such as were outlined in the brief brought here by the farmers of Saskatchewan, are necessary to provide the sinews of war and to make it possible for our farm people to give of their best in this war effort. Food is a sinew of war. I should like to remind this government that if they fail any section of our Canadian people to-day, they fail the whole nation in its hour of peril, and they fail the allies to whom they have pledged a total war effort.

[Mrs. Nielsen.]

Mr. W. J. WARD (Dauphin): Mr. Speaker, the government have a tremendous problem. They are carrying an enormous load, and in my judgment they are making a very good job of it. I was impressed yesterday when I listened to the hon. member for Essex South (Mr. Clark) deal with the problems which face the farmers of his district. As he delivered his address I could not help but think what a task the Minister of Agriculture (Mr. Gardiner) must have. The hon. member said, as reported at page 1233 of *Hansard:*

> At the outset I want to say that neither the rural districts nor the members from Ontario are antagonistic to the welfare or well-being of the people of western Canada. We may disagree with certain policies put forth by the government; we may disagree with the way in which they are applied and the extent to which they go, but we are really interested in their problems and hope that they will appreciate ours.

I want to say to the hon. member for Essex South that this appreciation is fully reciprocated. Two or three years ago I had the privilege of visiting the home of the hon. member, just at the time he was planting his tobacco. It was a surprise to me to learn the amount of work connected with the growing of tobacco. He had a plumber repairing the pipelines and heating plant; he had men putting new glass in his hothouses, he detailed to me the enormous amount of expensive work that was entailed in the production of tobacco. Ever since then I have felt that perhaps there were other agricultural problems in Canada in addition to the growing of wheat. Then yesterday the hon. member, speaking of the sugar beet industry, went on to say, as reported at page 1233:

> We have factories which have been operating for some twenty years, and under the present price scale only ten per cent of the contracts have been signed.

I should think that was a pretty serious situation for the growers of sugar beets. Then he went on:

> Contrast that with the wheat situation. Every table in Canada is affected by the shortage of sugar. We have a large surplus of wheat, and I am glad of that, but we are now going to pay the wheat growers another bonus of $56,000,000.

A little further on he said:

. . . it is difficult for me to go back and ask that same farmer to contribute to a bonus to the western wheat grower to the amount of $56,000,000.

Surely that should suggest to all of us what a job it must be to be Minister of Agriculture in Canada. I have often stated my belief that Canada is the most difficult country in the world to govern. When we consider the wide diversifications that exist, climatic and otherwise, we cannot help but be impressed with the responsibility that rests upon a minister of agriculture in times like these.

Until the day before yesterday I had no intention whatever of taking part in this debate; indeed I did not decide to do so until I heard the remarks of the hon. member for Qu'Appelle (Mr. Perley), that Lochinvar from the west. I should like to quote from the remarks he made the other day in order that the house may appreciate fully just what a wonderful member we have representing the constituency of Qu'Appelle and just why I am replying. Here is what he said, as reported on page 1171 of *Hansard:*

On many occasions I have gone on record in this house, and I think it is well understood just where I stand. I think I can say that my position is such that I have been the greatest champion—

Listen to this. He is some man!

—of the producers of western Canada in this house. For fourteen consecutive sessions I have been a greater champion than any other member from western Canada.

The Wizard of Oz was as nothing compared with the hon. member for Qu'Appelle. I think I have heard every speech the hon. member has delivered in this house in the last six years.

Mr. HOMUTH: That would be enlightening.

Mr. WARD: Yes, quite so. My mind went back to when I used to read *Hansard,* so I called a page and sent him to the library for all the *Hansards* from 1931 to 1935 inclusive in which the hon. member for Qu'Appelle had made any statement whatsoever in support of agriculture. I have them all here. I want to say at the outset that I am going to be absolutely fair with the hon. member. I am not going to omit a single speech or item of his in support of western agriculture. Speaking during the debate on the address on April 13, 1931, the hon. member said, as reported at page 574 of *Hansard:*

My next suggestion may be considered a little drastic, but I offer it by way of immediate relief. I think a suggestion that the 1930 crop be subsidized has been made by one hon. member on this side of the house. I do not intend to go that far, but I think the 1930 crop should be subsidized to the extent of the government paying the freight on all grain sold since the price dropped below 70 cents per bushel. That subsidization would involve only about 50 per cent of the crop, as considerable of the crop was shipped during last September, October and November before the price got below 70 cents per bushel. This would not involve the expenditure entailed in pegging the price at 70 cents per bushel.

I hope the house will keep in mind the fact that he was opposing a price of 70 cents a bushel at that time.

Mr. PERLEY (Qu'Appelle): The freight on top of that.

Mr. DEPUTY SPEAKER: The hon. gentleman has the floor and interruptions are not in order.

Mr. HOMUTH: Just a minute.

Mr. DEPUTY SPEAKER: Order.

Mr. HOMUTH: I rise to a point of order.

Mr. DEPUTY SPEAKER: Order. When the Speaker stands hon. members should sit down. Furthermore, the hon. member for Dauphin has the floor and under the rules there should be no interruption.

An hon. MEMBER: Sit down.

Mr. DEPUTY SPEAKER: Order, please. Under the rules of the house no interruption is permissible except by leave of the hon. member who has the floor. The Speaker is the servant of the house and must apply the rules because he is the depository of the honour, authority and good behaviour of the house. I should like hon. gentlemen to observe the rules because the Speaker, as the servant of the house, must see to it that the rules which are the command of the house are observed.

Mr. HOMUTH: Mr. Speaker—

Mr. DEPUTY SPEAKER: Order, please. The hon. gentleman is out of order.

Mr. HOMUTH: I rise to a point of order.

Mr. DEPUTY SPEAKER: Order, please.

Mr. HOMUTH: I rise to a point of order.

Mr. DEPUTY SPEAKER: Order, please. I hope I shall not have—

Mr. HOMUTH: I rise to a point of order.

Mr. DEPUTY SPEAKER: Order, please. I hope I shall not have to name the hon. gentleman.

Mr. HANSON (York-Sunbury): Mr. Speaker—

Mr. DEPUTY SPEAKER: Order, please.

Mr. HANSON (York-Sunbury): Mr. Speaker—

Mr. DEPUTY SPEAKER: Order, please. Is there any point of order?

Mr. HANSON (York-Sunbury): You will not let us state it.

Mr. DEPUTY SPEAKER: Order, please. The hon. member for Dauphin has the floor. No one, except by leave of the hon. gentleman, has the right to interrupt him.

Mr. HANSON (York-Sunbury): On the point of order.

Mr. HOMUTH: I rise to a point of order.

Mr. DEPUTY SPEAKER: Order, please.

Mr. HANSON (York-Sunbury): Generally speaking, Your Honour is quite correct, but the hon. member for Waterloo South (Mr. Homuth) rose to a point of order.

Mr. DEPUTY SPEAKER: No.

Mr. HANSON (York-Sunbury): Oh, yes, he did.

Mr. DEPUTY SPEAKER: There is no point of order before the house.

Mr. HANSON (York-Sunbury): Your Honour would not let him state it.

Mr. DEPUTY SPEAKER: Order, please.

Mr. HANSON (York-Sunbury): You would not let him state it.

Mr. DEPUTY SPEAKER: There is no point of order before the Chair.

Mr. HOMUTH: Go ahead and run the government; it is quite all right; we are satisfied; go ahead.

Mr. WARD: I was about to point out that at the time the hon. member for Qu'Appelle was speaking, the price of wheat was 36½ cents a bushel to the farmer in his own province.

Mr. HOMUTH: He wanted 70 cents.

Mr. HANSON (York-Sunbury): And the freight.

Mr. WARD: I shall read his statement again for the benefit of the hon. member for Waterloo South.

Mr. HOMUTH: Keep it right.

Mr. WARD: He said:

> This would not involve the expenditure entailed in pegging the price at 70 cents per bushel, which has been requested generally by the farmers of western Canada.

He said that that proposal would not involve that expenditure, and that year the price of wheat was 36½ cents a bushel. We shall now see what he said in 1932. On February 17, 1932, the then member for Assiniboia, Mr. Robert McKenzie—

Mr. HOMUTH: St. Patrick's day.

[Mr. Ward.]

Mr. DEPUTY SPEAKER: Order please. I shall have to name the hon. gentleman. I hope the hon. gentleman understands parliamentary good manners.

Mr. HOMUTH: The Speaker and I are getting along very well.

Mr. DEPUTY SPEAKER: Please!

Mr. WARD: The then member for Assiniboia moved a resolution. It will be recalled that this was the year following the introduction of the five cent bonus on wheat. The resolution read:

> Whereas the policy of extending federal assistance to western farmers on a bushel basis rather than on an acreage basis has worked out most unfairly and unjustly to the residents of those districts suffering from failure or near failure of crop,
>
> And whereas a largely signed petition and memorandum has been presented to the government by the secretary of Saskatchewan association of rural municipalities, praying for additional legislation to partially remedy the situation that exists,
>
> Therefore be it resolved: that, in the opinion of this house the government should give immediate consideration to a more equitable and less discriminatory solution of this problem.

In that year a man in the district which I have the honour to represent had a crop running fifty-two bushels to the acre, and he received a bonus of $2.60 per acre. Others of my neighbours had crops running forty and forty-five bushels to the acre. At that time I happened to be president of United Farmers of Manitoba, and my work took me through the southwestern part of Manitoba, where owing to drought wheat yields were as low as 8 bushels per acre.

The then hon. member for Kindersley, Mr. Carmichael, speaking in that debate said, as reported at page 292 of *Hansard*, of February 17, 1932:

> Mr. Speaker, the resolution now before the house says that the act passed last year has worked out most unfairly and unjustly. I rather agree with that statement. In fact I heard the opinion expressed in different parts of my constituency that the act was a very good fulfilment of the Scripture: "Whosoever hath, to him shall be given, and whosoever hath not, from him shall be taken even that which he seemeth to have."

He went on to say that he had received a number of resolutions from farmers' organizations and quoted this one as typical of many:

> Whereas the farmers in the dried-out areas are not receiving any of the five cent bonus, and
>
> Whereas the seed wheat provided by the government will cost the said farmers five cents above market price,
>
> Be it resolved that we petition the government to grant one dollar per acre on all acreage seeded in 1931, less the bonus already paid.

May I pause to remind those who did not know the then hon. member for Kindersley

that if he did not follow along traditional party lines, his feelings were in sympathy more with the Conservative party. But he was an Independent, pretty much in the same position as my hon. friends in the southeast corner.

Mr. HOMUTH: You cannot call them Conservatives, can you?

Mr. WARD: The hon. member must judge for himself.

I come again to the hon. member for Qu'Appelle (Mr. Perley). Speaking in that same debate, he said at the very outset, as reported at page 298 of *Hansard* of February 17, 1932:

I suppose it is hard for some hon. gentlemen opposite to give this government credit for anything, no matter what it has done.

How reminiscent of my hon. friend and his colleague the hon. member for Lake Centre (Mr. Diefenbaker).

Mr. PERLEY: You ought to have heard what they were saying on this side of the house then.

Mr. WARD: The hon. member was the government's expert on wheat economy, and further on in his remarks he said:

Think what it would mean to the whole of Canada if for the next two years or so there was a normal crop in western Canada. It is quite possible if we have normal climatic conditions next year in the three prairie provinces there should be a production for export of about 500,000,000 bushels of wheat.

He had big ideas. Do you know how much was exported that year, Mr. Speaker? The amount exported was 186,000,000 bushels.

Mr. ROSS (Moose Jaw): Who was the expert that prophesied 500,000,000?

Mr. HOMUTH: The hon. member for Moose Jaw.

Mr. WARD: It was the hon. member for Qu'Appelle. Further on he said:

A crop yield of 500,000,000 bushels for export might easily mean an earning of between $50,000,000 and $60,000,000 for our railways.

How solicitous he was for the railways just then. He went on:

Undoubtedly the morale of the western farmers has been put to a very severe test during the last two or three years, but our flag is not at half mast and the people out there are prepared to carry on and do their best. They are facing the coming season with a spirit of confidence, optimism, courage and fortitude.

Wheat was selling at 30 cents a bushel to the farmer in Saskatchewan the day he was speaking.

Mr. PERLEY: Who was responsible for that?

Mr. WARD: The hon. gentleman's party had been in office for two years.

Mr. PERLEY: Read Mr. Dunning's May budget.

Mr. WARD: The hon. member for Qu'Appelle went on to say:

. . . after the experience of the last three years I am sure they are prepared to go forward and do better.

They did, in 1935. They had profited by their experience. The hon. member for Qu'Appelle went on:

There is no way in which a government could invest a few million dollars to better advantage than by assisting the farmers in some way either through a bonus or by whatever means may be adopted.

At least 90 per cent of the people intend to repay their debt.

Of course they did, if they had anything to pay it with. He concluded his remarks with these words:

I am willing to leave the matter with the government in the belief that they will do what they think best.

I hope hon. members have closely followed these remarks because they do not sound very much like the young Lochinvar who started out to address the house in this debate the other day. Here is what he said in 1932, on February 17, as reported at page 300 of *Hansard:*

I am willing to leave the matter with the government in the belief that they will do what they think best. . . .

I believe the Prime Minister knows just as much as or more than any other hon. member in this house about western conditions.

Mr. PERLEY: So he did.

Mr. WARD: He went on:

He realizes, as I fully realize, the important position the western provinces hold and the outstanding part they will play in bringing back to normal the state of Canadian economic conditions. We all realize the part the western provinces will play in balancing our trade and furnishing exports. With these thoughts in mind I am sure the Prime Minister wants and intends to do the right thing, and I am prepared to leave the matter with the government and to support whatever measures they may consider right and proper.

He was ready then to support any measure. He went on:

I trust the great majority of the people of Canada, and in the west particularly, are prepared to leave the matter there.

That is the only suggestion he had to make—this man who did more for western agriculture than any other man who came out of the west! When this young Lochinvar was speaking in the house the other day my mind went back to men like Hon. Mr. Motherwell, Hon. Charles Dunning, Hon.

Robert Weir and some private members of the house like Robert Gardiner, George Coote, Alfred Speakman, Ted Garland, J. L. Brown and others who have spent their lives in building up western agriculture and have supported the principle of cooperation throughout and all legislation for the betterment of the western farmer.

Then, speaking in the budget debate on March 31, 1933, as reported at page 3584 of *Hansard,* the hon. member for Qu'Appelle said:

In the budget brought down by the Prime Minister, then acting as Minister of Finance, in the session of 1931, the bonus of five cents a bushel for wheat—

That is the very maximum—he could not go beyond five cents a bushel.

—was granted to the western farmer. I am particularly interested in that bonus as I was the first member of this house to move on the floor of this chamber for such a bonus to agriculture.

What an accomplishment! I am sure there must be thousands of monuments built on the farms of western Canada to commemorate the action of the hon. member for Qu'Appelle in proposing this great and wonderful assistance to western agriculture. He went on:

I did so on April 13, previous to the bringing-down of that budget. When that proposal was brought down in the budget hon. members of the opposition, particularly those from the west, opposed it strenuously. But under that bonus, Mr. Speaker, the government has paid out some $12,000,000 to the people of the western provinces.

Further on in the same speech he said, as reported at page 3585 of *Hansard:*

The exports of bacon—

He was talking of bacon now, instead of wheat.

The exports of bacon for the first two months of 1931 amounted to only 120,000 pounds; for the first two months of 1933, they had increased to 4,264,624 pounds.

That was the third year in which his government had been in office.

Mr. PERLEY: The present minister is following along the same lines.

Mr. SPEAKER: I would draw attention to the fact that when an hon. member is speaking he should not be interrupted.

Mr. PERLEY: For the balance of his speech he might give some of his own material.

Mr. ROSS (Moose Jaw): You can't take your own.

Mr. SPEAKER: Order. The hon. member has the floor. He can make his own speech.

Mr. PERLEY: He is not making his own speech.

Mr. WARD: I will give one further reference to the hon. member's speech. He said, as reported at page 3584:

In the first short session in 1930 two measures were introduced, the first granting $20,000,000 for unemployment relief, and the other dealing with some two hundred odd items in the tariff, being those items which the Prime Minister and his government believed would do most to correct the adverse trade balance at that time. I may say that that increase in the tariff had the desired result.

You bet it had, because I looked up the record to-day from the statistics branch and found that our external trade dropped over half a billion dollars in the twenty-four months that the then government had been in office. So assuredly it had its effect.

Mr. HANSON (York-Sunbury): The trade of the whole world had dropped.

An hon. MEMBER: Bennett was the cause of it.

Mr. WARD: We come now to 1934. It is getting better all the time! On February 8, 1934, the hon. member, speaking on the address in reply to the speech from the throne, said, as reported at page 373 of *Hansard* of that year:

Let us now take the exports of wheat. During the period in which the opposition held office there was an abnormal increase in production, and exports did not keep pace with that increase. We find that in 1922 our exports of wheat from Canada amounted to 185,000,000 bushels and in 1930 the total was 186,000,000 bushels.

I do not know how he expected to make a handle out of that, but he does refer to it. The next place in *Hansard* where he refers to wheat is at page 375:

The question of the wheat agreement is vital to western Canada at the present time and I feel that this matter should be thoroughly discussed. The other day the Prime Minister outlined the whole situation with respect to the circumstances leading up to the wheat agreement, and it would be presumption on my part to go into it in fuller detail than he did.

A little further on he says:

The exporting countries undertook that there should be a fifteen per cent reduction in acreage or production.

He does not say so, but I imagine he is referring to the international gathering which took place in 1934.

Mr. HOMUTH: Not such a bad one, either.

Mr. WARD: However, it will be seen that at that time the government were considering some measure of reducing wheat acreage, but no reduction took place. The present Minister of Agriculture (Mr. Gardiner) undertook just about a year ago to reduce wheat acreage

in this country in a practical way, with the result that it was cut by seven million acres in one year.

Mr. PERLEY: Mr. Speaker, would you allow me one question? In that same speech —if you will read it—I think I suggested how to control production and delivery to the market, on the basis of so many bushels per acre on the seeded acreage, the possible exports, and everything; then, issue the quota. That is the first time that a quota basis of delivery was ever suggested in this house.

Mr. WARD: I was coming to that. I was going to give the hon. member credit for having suggested something in the nature of a quota. But the point I wish to make is that apparently all his efforts had no effect on his own government. His party was then in power. It is easy to talk when you are in opposition. I think we can excuse the hon. member for not having too much influence with the government in office to-day, but he had five years in which to work, and the price of wheat in those years, from 1931 to 1935, was, on the average, 40¼ cents a bushel net to the farmer. During all that time nothing was effected but the five cents a bushel, and that lasted for just one year. A little later in the same speech the hon. member said:

> But the farmers are very much concerned as to how they are to proceed to bring about the fifteen per cent reduction. I am farming on a considerable scale myself and I am concerned about it.

He then goes on to suggest something in the nature of a bonus, but nothing more came of it. It is merely an empty suggestion that gets nowhere.

We come now to 1935. One would have thought that at that time, obviously the last year his government was likely to be in office, something would have been done. In his first reference to wheat he complained bitterly of Hon. W. R. Motherwell. He said he thought that Mr. Motherwell had gone out and won an election in Saskatchewan on dollar wheat, "Vote for Motherwell and dollar wheat". He complained a second time that the present Minister of Agriculture (Mr. Gardiner) won an election by telling the people that dollar wheat would provide a surplus for a rainy day.

Mr. HOMUTH: Did they get it?

Mr. ROSS (Moose Jaw): Yes.

Mr. PERLEY: When?

Mr. ROSS (Moose Jaw): In 1936-37.

Mr. PERLEY: That makes the minister laugh.

Mr. WARD: I mention these matters, Mr. Speaker, not particularly for the benefit of the hon. member for Qu'Appelle, but to refresh our memories as to what consideration was given to wheat during those five years when the present opposition was in office and when the average price to the farmer was 40¼ cents a bushel. At one time wheat was selling in my own constituency for twenty-one cents a bushel. These are matters in which I think we should be interested, in the light of the attitude taken by hon. members like the hon. member for Qu'Appelle in relation to the measure which is now before the house, and which I intend to support. I support it not because I think ninety cents is enough—it is not sufficient, I know, on my own farm—but in the light of conditions generally. I support heartily the continuation of the bonus principle. It is the only way to deal with that great semi-arid area of western Canada. I am grateful for what we have got; it means ninety cents plus the bonus.

I should now like to turn my attention to another quarter of the house. We have heard a good deal during the present session—and it is time someone said something in rebuttal—regarding the organized industrial workers of this country. Not long ago I visited one of our largest industrial plants, in which several thousand people work. As I walked through the plant, the first thing which impressed me was the small number of persons doing technical work. I saw very few jobs which I myself, were I twenty years younger, could not have done after two hours' training. As I walked through this steel plant, I inquired as to the class of material they were turning out, and the last question I would ask these young men I talked to was, "What do they pay you for this job?" From the first group I received the answer, "seven dollars for a day of eight hours, seven days a week;" and when I got to the other end of the line I found that the men there were getting eleven dollars a day. I began to scratch my head and wonder why in the world I was wasting my time as a member of parliament.

Within two weeks of the time I was there, the same crowd went on strike for higher pay. I was not very happy about it because I thought there was surely something wrong. So I sent to the bureau of statistics for some figures in order that I might draw a comparison between the earnings of these men and the earnings of farmers, the work being very similar. This is what I got. The average farm in Canada has a value of $7,202, equipped with live stock to the value of $746, and the average value of implements and other equipment is $893, making a total of $8,841. Then I inquired

how many men were employed on the average farm in Canada and I was told, 1·2 on the average, with the operator, or a little more than two men on each farm in Canada. With all the bonuses added last year, the average gross earnings of our farms in Canada was $1,139. Take these same plants that I was in where men were working, without responsibility and without any investment; and they were earning just under $2,000—$1,960 a year. The question I ask myself is this: Is there growing up in this country a new racket? In days gone by, we spoke of the banking racket and there was the manufacturers' racket.

Mr. MacNICOL: Not manufacturing.

Mr. WARD: Under the shadow of protection we referred to them as racketeers.

Mr. MacNICOL: You were entirely wrong.

Mr. WARD: Then there was the steel racket, in connection with which great bonuses of many millions were paid out to the steel interests. Of late years, however, since this government of ours has been in power, what with taxation, the conscription of wealth idea, and so on, we do not hear more about these racketeers. The government has them pretty well cornered. I was in company with a group of industrialists a short time ago, and one smilingly said, "The day of the rich man has gone; the government has caught up with us." "Thank God," I said. But I am wondering whether there is not a new racket in Canada. We have heard a great deal from the member for Vancouver East (Mr. MacInnis) with regard to Kirkland Lake. The other day I sent to the bureau of statistics for a statement of average wages—not salaries—paid to Kirkland Lake miners, and I would pause here to remind the house that the men engaged in those mines are not men who in the main have invested money in education. That may be their misfortune, but they have not.

Mr. HOMUTH: Are you saying they are stupid?

Mr. WARD: Not at all. I am not saying that. Those men are quite intelligent. But the point I am making is that they have not invested a lot of money in education, and they have no investment in any other form. Yet they get $1,745 a year, whereas the average farmer in Canada, with an investment of $8,841, with the help of a hired man, to whom he pays $477 a year—and taking the ·2 extra, it brings the total farm wages up to $572—receives for himself $567, and out of that he has to pay municipal taxes amounting to $80.40, fire insurance $18, life insurance, if he has any, $30, and has to provide general support for his family and pay doctors' bills, dentists, education and provide food and clothing and care generally for his family and take care of his buildings and machinery. All that he has to accomplish with $567, while we pay these racketeers, the workers in the large industries of the country, from $1,500 to $2,000 though they have neither investment nor responsibility.

Mr. HOMUTH: That is an unfair statement.

Mr. MacNICOL: Do you call the workers racketeers?

Mr. WARD: I sent to the bureau of statistics the other day to get figures for some specific plants in Canada and they telephoned saying they could not give them to me, but they did give me the average wage in all the primary steel industries of the country. There were sixty-five, and the average wage is $1,580, from the boy who sweeps the floor right up. The wage scale is $1,580. In other words, they get nearly $400 a year more than the farmer receives for an investment of nearly $9,000, and he has the help of a hired man and his family. That is what the farmer gets for the whole year. I mention these matters in order to point out that we have devoted entirely too much consideration to the people who have a guarantee in the form of a good job. What better guarantee could any man have than a job paying $2,000 or even $1,500 when he has no responsibility and no investment.

Mr. HOMUTH: Is that the enunciation of the Liberal policy?

Mr. WARD: I am speaking only for myself.

Mr. HOMUTH: Thank God for that.

Mr. WARD: I was at Niagara Falls less than a year ago and I found there they were building the great international bridge. I inquired what wages the men were getting and I was told they were getting $1.50 an hour and working ten hours a day. That meant they were getting $15 a day. Two weeks after I was there they went on strike for $1.65 an hour and they got it. It does seem to me, Mr. Speaker, we are developing a new form of autocracy in this country.

Mr. HOMUTH: Will the hon. gentleman permit a question?

Mr. WARD: Yes.

Mr. HOMUTH: Has the hon. gentleman any idea how many bridges per annum these men work on?

Mr. WARD: No, I have not, and perhaps there may be something in what the hon.

member has interjected. But the point is that there is plenty of steel work all over Canada.

Mr. HOMUTH: You fellows have been bridging things so many years you do not understand any more.

Mr. WARD: I contend, however, there is a serious disparity between the earnings of our farmers and the wages paid to organized industrial workers of the country.

I wish to thank the house for its patience with me and particularly the member for Qu'Appelle (Mr. Perley), but I am sure he will not again tell us that he was the only champion, or at least the greatest champion, of agricultural interests from the west during those years to which he referred, because had he been the magician he would have us believe he was, surely he could have impressed his great leader; the then Minister of Agriculture from that province, the late Hon. Robert Weir, and some of the other members of the government, to do something for agriculture during those four or five terrible years.

There was a great deal in what the hon. member for Macdonald (Mr. Weir) said this afternoon, that the problem of the west is the problem of the backlog of debt piled up during those years. I operate a three-quarter section farm, some of the richest perhaps in all Canada. For two years, 1931 and 1932, I had to go to other sources to obtain $1,000 to meet the bare running expenses of my farm. Why? Because I was selling wheat and other products at prices too far below the cost of production. I am not blaming the then government entirely for that; I know there was a depression, but I do criticize the complete failure of that government to do anything practical until just before their dying day to assist western agriculture. We all like the hon. member for Qu'Appelle; we like to hear him talk, but it is not very consistent for him now to accuse this government of failing western agriculture because it is not fixing the price at a dollar a bushel when he himself and his colleagues of that day left the farmers of the west for nearly five years selling their wheat at forty cents a bushel.

Mr. A. H. BENCE (Saskatoon City): The subject of wheat, its production, and the price obtained for it, deserves the serious and closest attention of this house; for there is in fact hardly a constituency represented here which is not either directly or indirectly affected thereby. I am particularly concerned and the constituency from which I come is particularly concerned with this problem. Although that constituency is largely urban, nevertheless it comes within that great triangle described by the Minister of Agriculture (Mr. Gardiner) the other day, and mentioned by so many speakers since, in which it is difficult to grow anything in volume except wheat. I am not a farmer and do not purport to be an expert in such matters, nevertheless there are one or two suggestions which I should like to place before this house because I believe them to be pertinent at this time.

First, with respect to the Minister of Agriculture I do not propose to lavish fulsome praise upon him, nor am I going to search for language with which to call him names and at the same time keep within parliamentary limits, because to my mind neither is useful or necessary, particularly at a time as serious as this through which we are now going.

Someone suggested the other day the possibility of fighting a Saskatchewan provincial election on the floor of this house. We recently had the spectacle of some by-elections being fought on the floor of this house, when certain hon. members expressed opinions obviously deliberately intended for consumption in other parts of the country. In my opinion the course of conduct adopted at that time was not calculated to raise either this house or this government in the esteem of the people of the country.

Mr. CRUICKSHANK: Or the opposition.

Mr. BENCE: I would ask the hon. member for Fraser Valley to stop chattering when I am endeavouring to make a speech.

Mr. CRUICKSHANK: "Endeavouring" is right.

Mr. BENCE: The hon. member is continually interrupting speakers in this house. He interrupted me the last time I spoke. I had good reason to interrupt him when he spent twenty minutes in indulging in a diatribe. I ask you, Mr. Speaker, to stop his interruptions. I do not mind intelligent interruptions, but I object to the chattering from that corner of the house.

The problems confronting us are, I suggest, far too serious to allow time for the luxury of political jockeying within the confines of this chamber. With all due respect I warn my friends and colleagues from Saskatchewan that the people of that province do not want wheat to be made a political football. The livelihood and the well-being of the people of that province and other provinces transcend political considerations. We from the province of Saskatchewan must be very careful to see that political considerations and political harangues do not prevent us from getting that equality and justice which we believe are, in the words of the Prime Minister, the rightful heritage of all. I regard with the

gravest suspicion any attempt by any political party to use as a vehicle for attempted political success the great agricultural organizations of this country. I hope that such attempts will be resisted by these agricultural organizations, because if they are not the usefulness of those organizations will be drastically reduced.

I listened with some dismay the other day to the attack made by the hon. member for Wood Mountain (Mr. Donnelly) upon the wheat pool, because it seemed to me that by that attack he was opening up an issue and focusing political attention upon a great and useful agricultural organization which is composed of men of all shades of political thought, and which should be so composed if it is to be of use to Saskatchewan and to Canada.

With respect to the Minister of Agriculture I have this to say: the minister in my opinion always knows what he is talking about. When we ask him a question he knows the answer, with very few exceptions, even if sometimes he does not give us the whole of it. He knows about wheat and wheat problems. I am going to repeat a suggestion which I made here last year and which has been made on many occasions, that is that he should be given the whole problem to handle, including the setting of the price and determining the advance and questions relating to it which are now dealt with by the Minister of Trade and Commerce (Mr. MacKinnon). I have the greatest respect for the Minister of Trade and Commerce both inside and outside this house. He has demonstrated his ability as a negotiator, but in my opinion he does not know a great deal about the wheat problem. That is only natural, because he has not had the background of experience which is necessary to know the problem thoroughly.

A few years ago I understand consideration was given to the question of transferring that phase of the work of the Department of Trade and Commerce, when Mr. Euler was the minister in charge, to the Department of Agriculture. At that time, according to the information I obtained in the press—because I was not a member of this house and did not have access to the exact information—the suggestion was opposed by the then Minister of Trade and Commerce. But I do believe that at this time the present minister would be very glad to be relieved of the embarrassment of looking after this particular phase of the problem. At the same time the people of Saskatchewan, who are particularly and vitally interested, would prefer to have one figure on which to focus their attention, because, after all, as I imagine the Minister of Agriculture remembers only too well, occasions do arise when particular problems come up in connection with the matter of wheat and the minister has sometimes said, "Well, I am the minister from Saskatchewan, it is quite true, but this matter is handled by my colleague the Minister of Trade and Commerce." It seems to me that every one would be far better satisfied if one man had charge of it, one man who would be in a position to answer all our questions in connection with this particular subject.

I am not satisfied with 90-cent wheat, Mr Speaker, and I fail to see how any hon. member coming from an agricultural constituency of western Canada could be satisfied with it. Nevertheless it is a decided improvement. It is an improvement of 20 cents per bushel for the amount of wheat that is going to be taken, which amount, as the Minister of Trade and Commerce stated, is limited. Consequently there will be a decided improvement in the ability of the western wheat farmer to carry on. It is somewhat fallacious to be continually referring to 90-cent wheat. I know that most members of this house recognize the fact that actually it is not 90-cent wheat, but it seems to me that that fact should be impressed upon hon. members continually in dealing with this question, in order that they may deal with it intelligently. We know that 90-cent wheat means approximately 65 to 70 cents on the prairies. Last year when the price was 70 cents, No. 1, Fort William, it actually brought only 45 to 50 cents for No. 1 and No. 2 northern. I believe we should impress that upon our minds, for unless we do we shall not be in a position to determine exactly what it means to the western farmer and exactly what he is obtaining for his product.

To my mind a great deal of the credit for the improved situation as far as the wheat farmer is concerned must go to that great delegation of western farmers and business men who came to this city a short time ago and presented a most capable and most reasonably framed brief to the government, in which they requested an initial payment of $1 a bushel as an absolute minimum. They set the initial payment at $1, not because it was a parity price either on the basis of the 1913-14 parity or the 1926-29 parity; they did so because they recognized the fact that this country is passing through very trying times; because they realized that we were in a life and death struggle, and because they knew the exigencies of the situation. But that initial price or advance of $1 was, I submit, the absolute minimum which, after very careful study and research, they felt was required to permit them to carry on under existing conditions. It was

not—and I want to emphasize this point—a basis for bargaining; it was a minimum. I was surprised to hear the Minister of Agriculture offer the suggestion on Tuesday evening that the delegation did not expect to get the $1 initial advance. That is contrary to the statement issued by the head of the pool and the head of the delegation, Mr. J. H. Wesson, after the 90-cent policy was announced. According to the Saskatoon *Star-Phoenix* of March 7, he said:

If a situation has developed under which western members have thought it necessary to compromise there will be genuine regret amongst the members of the delegation and the 185,000 people who signed the farm petition.

Then he referred to the fact that three years ago the initial price was set at sixty cents and subsequently raised to seventy cents, and expressed the hope that after this matter had received the consideration of the house and the agriculture committee, in view of the reasonableness of their presentation and the logic of their arguments, the House of Commons and the government would see fit to raise the price to that minimum initial payment of $1.

There is one point about this whole matter which I should like to emphasize because to my mind it goes to the whole root of the problem. The Minister of Trade and Commerce has stated that the wheat board will buy only that amount of wheat which it expects to be able to dispose of during the coming crop year.

Mr. MacKINNON (Edmonton West): Oh, no.

Mr. BENCE: The minister says that statement is not true. My statement was that the minister said the amount of 280,000,000 bushels was the amount which they expected to be able to dispose of during the coming crop year. Now that the minister has contradicted me, I would refer to his own words.

Mr. MacKINNON (Edmonton West): If I may interrupt the hon. member, he said we were only taking what we expected to be able to sell.

Mr. BENCE: That was my statement.

Mr. MacKINNON (Edmonton West): The statement was that we are taking 280,000,000 bushels of wheat definitely, whether or not we sell that amount. We arrived at that figure by estimating what we might be able to sell.

Mr. BENCE: I quite agree. I do not think there is any difference between the minister and myself in that regard. The minister and the department estimated that the wheat board would be able to dispose of 280,000,000 bushels.

Mr. MacKINNON (Edmonton West): Yes; we took a very generous guess at it.

Mr. BENCE: I am only taking the minister's own words for it, as they appear at page 1124 of *Hansard:*

This figure is based upon estimated domestic and export demand but it is extremely difficult to accurately forecast exports a year and a half in advance.

Mr. MacKINNON (Edmonton West): That is right. I think I must have misunderstood the hon. member.

Mr. BENCE: The point I am making is that this is the amount which the government or the wheat board expect to be able to sell, either domestically or abroad, during the coming crop year; it is this amount, and this amount only, that they are prepared to purchase from the farmer, and they have told this to the farmer. In other words, they are not paying the farmer money for something which they anticipate will not be required. They are paying the farmer for 280,000,000 bushels of wheat because they believe 280,000,000 bushels will be utilized, either in domestic consumption or for export trade.

Attention is drawn to the fact that there is at the present time a reserve of approximately 480,000,000 bushels on hand, and that at the end of the present crop year that will be reduced to approximately 400,000,000 bushels. But I would point out that, as I understand it, this has been declared a necessary war reserve; at least outstanding men of the world have declared that it is necessary to have a reserve like this set aside. The Right Hon. Winston Churchill has said it; the President of the United States has referred to the necessity for it, and members of this administration have spoken of the necessity of setting up a reserve such as this. They consider that that is a sufficient amount to set aside as a reserve for the purpose of feeding Europe when the blockade is lifted and the war is over and for the psychological purpose of dangling it before the eyes of the nazi countries. Consequently, that reserve is put aside and should have no influence whatsoever upon the price. The only thing that should be taken into consideration is the fact that 280,000,000 bushels are required.

As the Minister of Agriculture has pointed out, we require to ship to Great Britain, pork, beef, cheese, butter, eggs, wheat and many other products for the prosecution of the war. He has indicated also that in the majority

of cases the producers of these products are dependent upon the treasury of Canada for a return for their production. With one exception, as mentioned by the minister the other night, the case of butter, a large proportion of the amount being paid to these producers is taken out of the treasury of Canada. Consequently I say to him and to the house: Is there any reason for a distinction between the amount paid to the wheat grower and the amounts paid to the producers of these other commodities? They are all required for the same purpose, namely, to be sent to Great Britain to help in the prosecution of the war. It is right and proper that a large part of the cost of these products should be borne by the treasury of Canada. It is part of our contribution toward the war effort, but there is no reason why the wheat farmer should be placed in a different category from the producers of eggs, cheese, pork, beef and so on.

The Minister of Agriculture demonstrated that in most instances the prices of these other products are at parity or in excess of parity. Consequently I ask you, Mr. Speaker, and this house: Is there any reason why there should not be a parity price for the amount of wheat that will be used? Tell the farmer that you cannot take any more than 280,000,000 bushels of his wheat because that is the amount you estimate you will be able to use. But you should deal with him as fairly as you deal with the other agriculturists with respect to the price for what you will take.

The Minister of Agriculture asserted the other evening that the amount of money being spent to look after this problem was all that could safely be taken out of the treasury of Canada at this time. I wonder how the minister or the government arrived at that conclusion. I wonder how they arrived at the decision that it would be dangerous to take any more money for this purpose out of the treasury of Canada. How did they know that the government should stop at that particular figure? How did they arrive at the conclusion that it would be unsafe to go any farther? Would it be unsafe to add ten cents a bushel to the initial payment and make it a dollar, or an additional $28,000,000? Would it be unsafe to pay the whole $28,000,000? Would it be unsafe to pay half of it? Would it be unsafe to pay $1,000,000? Have we exceeded the point and are we now on unsafe ground? I think we should have more information in connection with that particular point.

Mr. GARDINER: Would my hon. friend like to have the information now? I can give it in just a word.

Mr. BENCE: Other members have been prevented from finishing their speeches because of lack of time. I should like to have the information, but I ask the minister to give it on his own time so that I can finish my remarks. I am glad the Minister of Agriculture has anticipated my question and I shall look forward with interest to his explanation.

What would happen to the war effort of Canada and the treasury of Canada if the government went a little further and made it dollar wheat? This question should be coupled with the assertion made by the hon. member for Essex South (Mr. Clark) who referred to Hong Kong and said that in view of the exigencies of the situation he thought the wheat growers ought to ask the government to take this money to buy more bombers, more munitions of war and so on. I believe he was applauded by hon. members on the other side of the house. I cannot follow the logic of either the Minister of Agriculture or the hon. member for Essex South.

As far as I can see from an examination of the statements made in this house by the Minister of Munitions and Supply (Mr. Howe) and other ministers, the war effort of this country, the manufacture of tanks, bombers, corvettes, planes and the rest of it, will not be affected one iota by a price of one dollar for wheat. The Minister of Finance (Mr. Ilsley) has asserted in this house time and time again that our war effort is not circumscribed by a lack of finance, that it is circumscribed only by lack of materials, by lack of factories, by a lack of labour and that kind of thing.

Recently we had in this house a debate lasting some five weeks in connection with the taking of a plebiscite during which the Minister of Finance made a most eloquent speech. He made reference to the criticism there had been with respect to the cost of the plebiscite, and he poured scorn upon those people who interpreted the cost of the plebiscite in terms of corvettes, planes, tanks and bombers. If my memory serves me aright, he said that the country's war effort in connection with production was not limited by finance, but that, as everyone knows, it was limited only by those things to which I have referred, namely, material and labour and factories. Consequently the suggestion that has been made that it is a question of finance and that the farmers, by getting more money for their wheat, might slow up the war effort is, to my mind, a most fallacious argument. I am convinced that if the farmers of western Canada thought for one minute that the raising of the price of wheat to one dollar would be detrimental to the war effort, they would be the first to say no. But there has been no proof that that would be so.

There has been an attempt made in this house by some hon. members to effect a cleavage between the sections of the prairies concerned with wheat by insisting that there are two schools of thought, one wanting higher prices for wheat and the other wanting increased payments under the Prairie Farm Assistance Act. In my opinion those who put forth this argument are merely attempting to draw a red herring across the trail. There are not two schools of thought among the farmers. We want a continuation of the Prairie Farm Assistance Act because we believe it is absolutely necessary in crop failure or near crop failure districts. For instance, in my own constituency last fall the price of wheat was not so important because we had had a partial crop failure. The assistance given under the Prairie Farm Assistance Act was most beneficial. The two go hand in hand; they cannot be separated. Payments under the Prairie Farm Assistance Act are made in cases where there is a crop failure or a partial crop failure, and these payments are entirely justified. In districts in which there is a crop failure or a partial crop failure the farmers are entitled to assistance because, when there were good crops generally, they did not get a reasonable price for it. In 1940 there were bumper crops in some districts, but they did not get enough from their wheat to put anything aside for the days of crop failure, and there, I submit, is the real justification for the Prairie Farm Assistance Act.

In conclusion, by way of brief recapitulation, I just want to emphasize this: Ample proof has been given in this house by hon. members from all sides that the wheat farmer is not getting parity prices and that, generally speaking, in comparison with other agricultural producers at this time, he is suffering more than they. I do not propose to clutter up the pages of *Hansard* with any more statistics because I think enough figures have been given in the last three days to demonstrate the proposition that the wheat producer in comparison with other producers is not receiving as much as they and is not receiving parity prices. It is conceded that a wheat reserve is required. It has been stated by the Minister of Trade and Commerce that the wheat board is going to take only that amount of wheat which the wheat board and the government estimate they will be able to dispose of, and it is admitted that that amount is approximately 280,000,000 bushels. Therefore I say that we should receive for this 280,000,000 bushels a price which is something akin to parity. The price of $1, as has been demonstrated by the figures given by the hon. member for Moose Jaw (Mr. Ross), is considerably below parity price, and there seems to be no real reason why the price cannot be raised to at least that much.

As far as the amendment is concerned, I have no hesitation whatsoever in supporting it. It favours parity prices, and I fail to see how any hon. member of this house, particularly those interested in agriculture, can disagree with the principle of a programme of parity prices, because parity prices mean nothing more or less than equality among all sections of our people.

Mr. C. E. JOHNSTON (Bow River): Mr. Speaker, I do not intend to speak at great length on this subject because it has been fairly well covered by other hon. members who have preceded me. I believe that one of the greatest problems facing us to-day from the point of view of agriculture is production, and that one of the greatest problems facing us from the point of view of the entire war is production. I have said on other occasions that my great concern in this war is the proper control of production. I am not so much concerned with what the government does with that production after it gets it, provided it is made good use of, as I am concerned about proper methods of production.

I think we are all greatly concerned at this time, as the hon. member for North Battleford (Mrs. Nielsen) has so eloquently expressed it, with preserving unity in Canada, to prosecute to the full the war in which we are engaged. But I do not see how it is possible to have unity in Canada unless we have unity among all classes of our people. You certainly cannot divide eastern Canada from western Canada and then expect to proceed along normal lines. It just cannot be done, and it will not be done. You cannot divide the forces of our industrial areas and expect production to go along harmoniously. It just cannot be done. I do not believe that there is a class of people in Canada who have done more not only in the production of things they were asked to produce but also in enlistments in all the fighting forces of Canada than the western farmer. I think I am safe in saying that western Canada has contributed more per capita to the fighting forces than any other part of Canada.

Mr. KIRK: Take and include the merchant marine and check up on Nova Scotia.

Mr. JOHNSTON (Bow River): They do not comprise a great number.

Mr. KIRK: I mean on a percentage basis.

Mr. JOHNSTON (Bow River): They form a part of Canada, I agree, but they do not form a major part.

Mr. KIRK: I am speaking of the merchant marine.

Mr. JOHNSTON (Bow River): There again, Mr. Speaker, you see we cannot have unity in Canada until we have a degree of understanding. I am afraid that my hon. friend on the other side shows a decided lack of understanding of agricultural problems.

Mr. KIRK: You are the one who spoke disparagingly.

Mr. JOHNSTON (Bow River): And you are the one who interrupted. If the hon. member would rise in his place and present his point in orderly fashion, I am sure that the rest of us would be delighted to hear him.

Mr. KIRK: I just wanted to assist my hon. friend in getting his facts straight.

Mr. JOHNSTON (Bow River): I just want to use the words of the Minister of Agriculture (Mr. Gardiner) himself, Mr. Speaker, to show that a class distinction is drawn between eastern Canada and western Canada. If that part of the country represented by my hon. friend opposite is not being properly treated, I think it ill behooves him to sit idly by and say, as the hon. member for Rosthern (Mr. Tucker) said the other day, that he is bound to follow the government. I do not think that is the proper attitude. I think my hon. friend should rise in his place and express the desires that he has and get recognition for what he believes to be right.

Mr. TUCKER: On a point of order, Mr. Speaker, I think the hon. member said that I had said I was bound to follow the government whatever it did. I challenge the hon. member to point to a single statement of mine where I intimated anything of the kind.

Mr. JOHNSTON (Bow River): Is this on a point of order, Mr. Speaker?

Mr. TUCKER: Yes. I make the point of order that my hon. friend is misrepresenting what I am supposed to have stated in this house, and I ask him to withdraw that statement.

Mr. SPEAKER: The hon. member for Rosthern is objecting to the statement that he had said he was prepared to follow the government at all times, and I understood he was not quite sure whether those were the words used by the hon. member for Bow River.

Mr. JOHNSTON (Bow River): I am sorry I did not quite hear what you said, Mr. Speaker, but if the hon. member objects, he is quite in order.

[Mr. C. E. Johnston.]

Mr. TUCKER: Does the hon. gentleman withdraw his statement?

Mr. SPEAKER: The hon. member for Rosthern wishes to know if the hon. member for Bow River will withdraw the statement he made?

Mr. JOHNSTON (Bow River): I do not know, Mr. Speaker, what statement I made that was incorrect.

Mr. TUCKER: The hon. gentleman said that the member for Rosthern took the attitude that he had to support anything the government brought in. I never made any such statement, and I ask the hon. member to withdraw it.

Mr. JOHNSTON (Bow River): I am sorry if the hon. member is offended by that remark. I merely said that is what I understood. That was my understanding of the statement the other day.

Mr. TUCKER: It is wrong. I am not responsible for the lack of understanding on the part of the hon. member. I ask him to withdraw.

Mr. SPEAKER: The hon. gentleman has stated that he did not make the remark which was quoted by the hon. member for Bow River (Mr. Johnston) who now has the floor. Will he kindly tender a withdrawal?

Mr. JOHNSTON (Bow River): Mr. Speaker, that was exactly the thing I was trying to convey to Your Honour. If the hon. member now denies that, I am perfectly willing to withdraw. If he is not bound to follow the government, that is his affair. I am glad to hear it, though.

As I was pointing out, there is one section of Canada which is being discriminated against. The Minister of Agriculture, I believe, acknowledged that the other day, when he said, as recorded in *Hansard*, page 1211:

> The correspondence which I have on my desk is full of appeals to the government to remember that Canada is at war, and these appeals come from Saskatchewan farmers, not from eastern industrialists, as some people would seem to imply sometimes is the case in relation to agricultural problems. These are from Saskatchewan farmers telling us to stay with the job—get food over to Britain—"and we will struggle along. If you have to assist us," they say, "assist us with acreage payments, and if after that you can give us something more for our wheat we shall be pleased to have it. But," they say, "the most important thing at the present time is to fight this war to a successful conclusion because if we do not we shall not be able to market any farm products to advantage for many years after this war is over." That is the important problem which is in the mind of the western farmer, . . .

I think that without question of doubt the Minister of Agriculture will agree with me that these people are sincere. On no occasion, as far as I know, has he suggested otherwise. But I want to point out two references in his speech. First he refers to the eastern industrialists. The farmers who have written to him have demonstrated their loyalty beyond question, even to the extent of saying, "and we will struggle along." I regard that as one of the highest forms of patriotism, and it should appeal to the Minister of Agriculture in the matter of giving the western farmers a square deal, for I am sure he is personally convinced that they are not receiving a sufficient price. But I want to compare the attitude of the western agriculturist—and I think the expression of opinion which I have just read is common to Alberta and Manitoba as well as Saskatchewan, indeed to all agriculturists throughout Canada—the sense of loyalty and patriotism which was expressed to the minister in the correspondence of these people, with, should I say, the patriotism of the eastern industrialists, as recorded in *Hansard,* September 12, 1939, at page 179. The Minister of Munitions and Supply (Mr. Howe), speaking at that time, said:

> The provision of 5 per cent was put in the last act after a good deal of consideration as a minimum return for the service rendered, but it was one which men of considerable experience believed to be unworkable. I can say to my hon. friend that from that day to this the defence purchasing board has done its best to place contracts on that basis and has used every pressure that could be brought to bear in the form of patriotism and so on, but to date it has not succeeded in placing a single contract on that basis.

There you have a situation where the industrialists were working on a cost-plus contract. They were getting a clear five per cent profit after all their expenses, including depreciation of their machinery, rent of plant, and their own wages, yet they absolutely refused the proposition and went on a sit-down strike. The minister could not place a single contract. And you call that patriotism! I do not think the eastern industrialist should even question the proposition that the agriculturist should get at least a dollar a bushel. When the Minister of Agriculture appeals to the farmers to produce wheat, not, mark you, at cost of production, but at a loss, they without hesitation have produced more than he knows what to do with. Not so with the industrialists. They simply refused. And who won out? As the hon. member for Battle River (Mr. Fair) said the other day, the squeaking wheel gets the grease, and those squawkers got the grease to the extent of considerably more than five per cent. I do not think you can expect unity under those circumstances.

A few moments ago the hon. member for Rosthern interrupted me. I want to put his words on *Hansard,* so that he will be able to read them and will not have any reason to complain.

Mr. TUCKER: All right; put my right words on *Hansard* and I won't complain.

Mr. JOHNSTON (Bow River): I shall read from *Hansard.* I hope the hon. member is listening. This is page 1145:

> I ask the government, which I am proud and pleased to follow, in this time of world crisis, to do the thing that is necessary to mobilize this country's industrial capacity one hundred per cent.

These are the words which he used. That is in effect what I said.

Mr. TUCKER: Mr. Speaker, the hon. member has repeated the statement.

Mr. JOHNSTON (Bow River): Mr. Speaker, is this a point of order?

Mr. TUCKER: It is a point of order.

Mr. JOHNSTON (Bow River): What is the point of order?

Mr. TUCKER: The point of order is that the hon. member read my statement and said that that in effect was what he said, and it was not in effect what he said. I said that I was proud and pleased to follow this government in this time of world crisis. That is an entirely different thing from saying that I am bound to support anything that they do. Again I ask the hon. member to withdraw his last statement.

Mr. JOHNSTON (Bow River): I do not see the hon. member's point of order. I told him that I was going to read the words he said. Now he takes offence at that. Does he want to agree with the first words I said?

Mr. TUCKER: The hon. member went on to say "those were the words I said in the first place".

Mr. JOHNSTON (Bow River): I said no such thing—if the hon. member will listen.

Mr. TUCKER: I listened very carefully.

Mr. JOHNSTON (Bow River): I cannot help what he understood. I took the words from *Hansard* that he said, and still the hon. member is not satisfied.

Mr. TUCKER: I am quite satisfied with my own words, but I do not like them edited by the hon. member.

Mr. JOHNSTON (Bow River): Now, Mr. Speaker, perhaps I may be permitted to go on. I said that the Minister of Agriculture himself, in my opinion, was not satisfied, and that certainly the people of western Canada had good grounds for being discontented. In fact they were so discontented that 430 of them had to come here to Ottawa; they held their meeting over in the Chateau Laurier, at which meeting the Minister of Agriculture and the Minister of Trade and Commerce were present, and I was there listening to the remarks. When they had concluded their presentation to the government, the Minister of Trade and Commerce rose on the platform and said that the demands of that convention were just and fair. I commend him for that; I think he was sincere and honest. That is all these people are asking. I think they have every right to insist upon a square deal, and it was a square deal; the Minister of Trade and Commerce (Mr. MacKinnon) admitted that it was fair. I say, therefore, that they have just as much right to ask that their demands be granted as the industrialists of eastern Canada have to ask that they be allowed to make a profit above all their expenses, and a profit above five per cent.

I suggest to the minister that he will run into a lot of difficulty, and I think he could well afford to take a leaf out of the book of American history and to consider the suggestions made in regard to the AAA programme. Let him consider what was said by the representative of that organization when speaking in the Chateau Laurier. He gave us an outline of the way in which the agricultural organization was set up in the United States. He pointed out that after considerable years of experience they had found it advisable to organize their department from among the agriculturists. That is to say, the farmers had their small community organizations throughout all the counties in the United States, and these small organizations, or small committees, elected what were termed committee men. These committees represented something like 130,000 people. I am speaking from memory. From among them the government chose their advisers and that formed the basis of their department. It was on the advice of these men, actual farmers, that they drew up their agricultural policy.

I believe that if the Minister of Agriculture gave the farmers a share of responsibility in forming their own policy, there would be a great deal more satisfaction. He would do well, I suggest, to call into his department some of these people. In the department there are some fellows who do not know the first thing about agriculture. The minister should allow practical agriculturists to take part in drawing up the policy, because they have ability, as was demonstrated at the convention at the Chateau Laurier. There are some clever men among them and they could get together under the leadership of the Minister of Agriculture. I do not think they could pick a better man from that party, though they might get an improvement upon him outside. In their party, however, they have the best they can get, and with him as leader guiding them I am sure that better results would be obtained if he sat round a table with these men representing agriculture and in that way fixed upon the acreage reduction and the price, on a fair basis, allowing them to state how much acreage reduction there should be, the amount of increased stock production, and so on. I believe he would get a far greater degree of cooperation in that way than he has so far obtained. In other words, I suggest that you have to give these men democracy in action. You have to show them that democracy is working for instead of against them. I could not do better than read what Mr. Evans said at that meeting at the Chateau Laurier on January 29, 1942:

> I tell you this, in closing, only because that experience so forcibly brought home to me the strength of a fertile land tilled by free men, men willing to work for democracy because democracy is working for them.

I think the Minister of Agriculture will admit that the United States programme is better than ours.

A good deal has been said about the cost of production. I do not intend to weary the house by giving a great many figures, because, after all, it is difficult to follow these figures. I will speak more or less in the words of the Minister of Agriculture in reference to cost of production. Every member will recall, I believe, that about a year ago the Minister of Agriculture agreed that the cost of production was ninety cents on the farm, and I think he made a conservative estimate. He just about hit it. I do not like to flatter him at all, but his judgment is good. The Minister of Agriculture agreed that ninety cents was the cost of production, and he who was in charge of agriculture must take responsibility along with the Minister of Trade and Commerce, for setting the price at seventy cents.

Mr. GARDINER: The advance was set at 70 cents, not the price.

Mr. JOHNSTON (Bow River): I do not think there is much danger of the farmers getting more, do you?

Mr. GARDINER: It has been up to seventy-eight cents even with that advance.

Mr. JOHNSTON (Bow River): The farmers have not received any of it.

Mr. GARDINER: Oh, yes.

Mr. JOHNSTON (Bow River): They were supposed to receive twelve cents at one time, but that is bringing us back into election times, and they were promised a dollar.

Mr. GARDINER: The average price of the first three months of this past season was seventy-four cents, and the price did go as high as within a fraction of a cent of seventy-eight.

Mr. JOHNSTON (Bow River): But my point is that so far the farmers have not received anything on participation certificates.

Mr. GARDINER: Some of the farmers sold at that price.

Mr. JOHNSTON (Bow River): That was what it sold at on the open market, but those who sold to the board did not get that, and what was sold on the open market and what was sold to the board are two different things.

Mr. GARDINER: Delivery was taken at an advance of seventy cents, but the final settlement will not be made until all the wheat is sold.

Mr. JOHNSTON (Bow River): While the minister may be correct in saying that, it is nevertheless true that he said on that occasion as well that the farmers would lose around $100,000,000. That would be the loss to the farmers.

Mr. GARDINER: That was by reducing acreage.

Mr. JOHNSTON (Bow River): That was their cash loss. I do not care what you call it; it comes out of their pockets. It is all right for the minister to say now that the farmers will get a dollar a bushel. You can sit here and do all the figuring you like, but when you ask the farmer what he got for his wheat and he tells you he got forty-eight cents, it is mighty hard to convince him that he got a dollar. It is as the hon. member for Battle River said the other night. What the farmer actually received was forty-eight cents, and you cannot convince him that that is a dollar unless you are a magician.

Mr. GARDINER: I do not like to interrupt the hon. member, but if I may be permitted again would point out that the other night I could have read the letters to which I referred, and there were letters from farmers stating that they did get at the farm as high as $1.40.

Mr. JOHNSTON (Bow River): That might have been an individual case, but that is certainly not the average. In some particular instances, with other farm produce they marketed, the total return may have come up to that. I am not disputing that, but I say that that was not the average. I am saying that the farmers in most instances did not get anywhere near it. If I recall rightly, the minister said the other day that the farmers this year would not make any money. I cannot understand why it is that every other industry in Canada is not asked to carry on at a loss. Other industries are not expected to. There is only one industry, and that an industry we could not do without for one year without total failure in this war, and that industry is agriculture. Only that one industry is asked to produce at less than cost. Surely my hon. friends from eastern Canada must understand that that is not a fair proposition. You are not going to have unity when here in eastern Canada they get $1.26 for their wheat and out in the west under this new programme they are going to get ninety cents at Fort William.

Mr. McNEVIN: That $1.26 is delivered at Montreal.

Mr. JOHNSTON (Bow River): I wish hon. members would speak on their own time. The price set in eastern Canada is $1.26 a bushel.

Mr. McNEVIN: At Montreal.

Mr. JOHNSTON (Bow River): Yes, and the 90 cents is at Fort William, not on the farm. Of course it may be said that this is for soft wheat. I do not care what it is for; the fact is there is discrimination there, and very unjust discrimination. Let me read what was reported in the Lethbridge *Herald* of March 9:

> J. H. Wesson, Saskatchewan wheat pool president and chief spokesman for four hundred farm delegates which presented the petition to the federal government last month, said the farmers would insist ninety cents a bushel was not sufficient.
>
> "We will continue to urge that the initial payment in the crop year 1942-43 be $1 a bushel, and that further payments to bring up the wheat price to a 'parity' level be made during the crop year," Mr. Wesson said.
>
> Mr. Wesson said the farmers would be content to have the "parity" price established by the dominion bureau of statistics.

You cannot expect anything fairer than that. Why the government persist in agitating such a great number of people in that way, when they know the proposition they make is unfair, I just cannot understand, unless, of course, the Minister of Agriculture had in mind what he said the other day as reported at page 1211 of *Hansard:*

> I would say to him that any member of this house who carries back into western Canada the government's policy in relation to wheat

and its policy in relation to other farm products can stand before any audience and explain to the people there that this is the best that can be done under the conditions with which we are confronted in the Dominion of Canada to-day, and the best that has been done in an attempt to settle their problems at any time. We are taking every last dollar out of the treasury of Canada to deal with these problems which we feel it is safe to take at this present time.

That is an absolute contradiction of what the Minister of Finance (Mr. Ilsley) and the Prime Minister (Mr. Mackenzie King) have stated on different occasions. The Minister of Agriculture says we are doing everything we possibly can for the farmer in view of the fact that money is limited; that we are taking everything out of the treasury that we think we can safely take. The Minister of Finance said on more than one occasion when speaking to the hon. member for Acadia (Mr. Quelch), "We are going to make financially possible anything that is physically possible. There is going to be no money restriction." The Prime Minister said—the words have been repeated so often in this house that I hardly need remind hon. members of them—"We shall issue currency and credit in times of public need." Which is right? The Minister of Agriculture says to the farmers: "I cannot do anything more for you fellows, much as I would like to, because my hands are tied, because of the financial strings that hold me back." But the Minister of Finance says: "That is not right because we are going to make financially possible anything that is physically possible." I think the western farmers have good reason to complain. I should not be surprised to see them on the train coming here again and demanding a square deal, and I believe the Minister of Agriculture would be the last man to say to them, "You are asking something unreasonable."

Let us now look at the income the farmers have. I am not going to quote figures at length, but I want to put on the record some statements from the Searle Grain company's letter. We all admit that they keep very careful watch on this critical situation. This is from No. 22 of November 19, 1941:

	Last year 1940-41	Present year 1941-42
	(omitting 000)	
Wheat, including bonuses..	$234,000	$152,000
Coarse grains, including 8 million dollars bonus..	17,980	29,873
Live stock.....	87,150	104,537
Dairy products.....	23,720	31,167
Miscellaneous products....	10,190	10,190
Eggs and wool.....	6,290	6,340
Vegetables and other crops	2,560	2,560
Total revenue.....	$381,890	$336,667

[Mr. C. E. Johnston.]

The figures for 1941-42 are, of course, estimated. Remember that the total revenue for 1928 was $611,780,000. That brings, generally speaking, about $45,000,000 less for 1941-42 than they received the year before. It is an estimate, but based on good sound calculation. They go on to say:

There are, in the three prairie provinces, approximately 300,000 farming families. It will be seen, therefore, that the annual average income for wheat alone for each family will be $506 from wheat, and from all other sources other than wheat $616, making the total income for the average farming family $1,122 for this year. Out of this total sum of $1,122 each farming family has to pay its living expenses for the year, and the costs of growing, harvesting and hauling to market its farm products . . .

The index includes 16 items of groceries; 36 of clothing; 28 of household equipment; 53 of farm equipment; 12 of farm machinery and two items of school and municipal taxes. These items, we find, cost farmers to-day $1,004 a year. It will be observed therefore that each prairie farming family has on the average only $118 left ($1,122 minus $1,004) with which to pay for all those things which farming families require, and which are not included in the 147 items in the Searle index.

Out of that total profit—if we call it a profit—of $118 from their entire return including the bonus, they have to pay the interest on mortgages and loans and for such small extra comforts as any family requires. It is amazing that the government, knowing that the farmers were producing at a loss and are compelled by quota to sell only a certain amount, did not cut down the interest on farm mortgages. Why should they not have made it possible to lower the cost of production by lowering the cost of machinery by lowering the tariff?

Before this bill passes the minister should—and I do not believe he would be condemned for it by anyone, even members of the cabinet—form an advisory council of agriculturists, the same as industry has. Industry would not think of letting a bunch of farmers come in and run their industry and set the profit they would get. They would not even allow members of parliament to set the profit. Then why should anyone object if the agriculturists come in and assist the minister to deal with problems and policies regarding their own industry? I believe the minister would be well advised to clip that sheet out of United States history. He should raise the price to $1 a bushel. Mind you, we have always advocated $1 a bushel at the local elevator. Then probably it would be advantageous to pool the freight rates, so that everyone would be treated alike. There should be no reason for the eastern farmer to complain and say, "Well, we are not getting

as much as the west," or for the west to say, "We are not getting as much as the east." There must be some pooling arrangement as to freight rates, so that every farmer will be treated alike.

Then you must give the farmers the parity price; they have a right to ask for it. If the government does not give it to them, I hope the farmers come here again and sit right on the doorstep until they get it. Apparently that is the only way they will get anything, and I believe the Minister of Agriculture and the Minister of Trade and Commerce are asking for just that sort of thing. You cannot expect people to go on fighting for democracy in this war when the very thing for which they are fighting abroad is denied them at home. I think the Minister of Agriculture and the Minister of Trade and Commerce should get together and talk to these other fellows in the cabinet a little bit. Surely they will come to reason and let democracy live in Canada.

On motion of Mr. Tucker the debate was adjourned.

WHEAT

MEASURE TO PROVIDE ACREAGE REDUCTION AND CERTAIN PAYMENTS TO FARMERS

The house resumed from Monday, March 9, consideration of the motion of Mr. Gardiner for the second reading of Bill No. 12, respecting wheat acreage reduction.

Mr. GARDINER: Mr. Speaker, after discussion with the representatives of the three opposing groups it has been agreed, according to my understanding of it, that the two bills, Bill No. 12 and Bill No. 14, should be given second reading now and sent to the agriculture committee. The general discussion will then proceed under the understanding we have had, on Bill No. 13, that understanding being that we shall go on with this discussion, deal with the amendment now before the house and finally with the second reading of the bill itself. That is, we shall carry on the discussion as it has been carried on up to the present time. In the meantime the other two bills will go on to the committee early next week.

Mr. ROSS (Souris): Is it agreed that the agriculture committee will meet in the mornings, so that hon. members may be free when Bill No. 13 is being discussed in the house?

Mr. GARDINER: Yes. I should have said that the agriculture committee will not sit while the house is sitting, until we have completed the discussion of Bill No. 13. The agriculture committee will meet early in the week, as soon as it can be arranged.

Mr. JOHNSTON (Bow River): And there will be an open discussion on the remaining bill, as it has been carried on up to the moment?

Mr. GARDINER: Yes, on Bill No. 13.

Mr. STIRLING: Supposing either of these bills is considerably amended in committee and returned to the house reprinted as amended. Would there be an opportunity to discuss those changes on third reading?

Mr. GARDINER: Yes, I think that is understood; we shall go into committee of the whole then.

Motion agreed to, bill read the second time and referred to the standing committee on agriculture and colonization.

PRAIRIE FARM ASSISTANCE ACT

AMENDMENT TO PROVISION RESPECTING DECLARATION OF EMERGENCY YEAR

The house resumed from Tuesday, March 10, consideration of the motion of Mr. Gardiner for the second reading of Bill No. 14, to amend the Prairie Farm Assistance Act, 1939.

Motion agreed to, bill read the second time and referred to the standing committee on agriculture and colonization.

On motion of Mr. Gardiner the house adjourned at 10.58 p.m.

Friday, March 13, 1942

The house met at three o'clock.

RADIO BROADCASTING

APPOINTMENT OF COMMITTEE TO CONSIDER ANNUAL REPORT AND REVIEW POLICIES OF CANADIAN BROADCASTING CORPORATION

Hon. J. T. THORSON (Minister of National War Services) moved:

That a select committee be appointed on radio broadcasting to consider the annual report of the Canadian Broadcasting Corporation and to review the policies and aims of the corporation and its regulations, revenues, expenditures and development, with power to examine and inquire into the matters and things herein referred to and to report from time to time their observations and opinions thereon, and to send for persons, papers and records; and that the said committee shall consist of the following members: Bence, Bertrand (Laurier), Casselman (Edmonton East), Claxton, Coldwell, Douglas (Queens), Fournier (Maisonneuve-Rosemont), Graydon, Hanson (Skeena), Hazen, Homuth, Howe, Isnor, Kuhl, Laflamme, McCann, Mullins, Rennie, Slaght, Telford, Thorson, Tripp and Veniot; and that the presence of at least nine members shall be a quorum of the said committee and that standing order 65 be suspended in relation thereto.

Motion agreed to.

INTERNATIONAL TRANSPORT

USE OF CANADIAN HIGHWAYS BY UNITED STATES TRUCKS CARRYING WAR MATERIALS

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I should like to direct a question to the Minister of Munitions and Supply. Has he seen an article in to-day's issue of the Toronto *Globe and Mail* blaming him for impeding the flow of war materials by United States trucks to eastern points across Canadian highways? If so, will he inform the house regarding the matters complained of in the article?

Hon. C. D. HOWE (Minister of Munitions and Supply): Mr. Speaker, I think I saw in the Ottawa *Journal* the article to which my hon. friend refers. The subject matter has been outstanding for a long time. A project was undertaken, I think in 1937, to provide for the movement of United States traffic from Buffalo to Detroit via Canadian highways. The project at that time was and, so far as I know is, at present that a fleet of Canadian trucks would be built and would operate with Canadian gasoline between points across two international boundaries. A bill was introduced in the Senate during the session of 1938 by the sponsors of the project, and the project has been revived from time to time since then. I cannot say why I was selected as the bottleneck, for the matter is not one related to the Ministry of Munitions and Supply, which is my present portfolio, or to the Ministry of Transport, which was my former portfolio. I suppose I figure in the matter only as one member of the government. I may say, however, that the representations have always come from parties interested either in building the trucks or in selling the gasoline or operating a toll bridge or toll tunnel. I have never seen representations from potential users of the service.

We have petitions, signed, I think by every village along the route protesting against this type of traffic on the highways, and I think the reason is obvious: the highways are too narrow for that sort of traffic if the residents alongside are to be permitted to live. The government has not looked upon the proposal with favour. I recall that the gentleman who sponsored the article in question—I have forgotten his name—

Mr. COLDWELL: Mr. Campbell.

Mr. HOWE: —called me by telephone from Detroit some three months ago and said that if I did not agree to the proposal there would be a blast in the newspapers which I would not like. I said, "Thanks very much" and hung up.

[Mr. Thorson.]

PLEBISCITE ACT

REFERENCE TO EDITORIAL IN TORONTO "GLOBE AND MAIL"

On the orders of the day:

Mr. W. H. GOLDING (Huron-Perth): Mr. Speaker, I should like to direct a question to the Secretary of State. My question is made necessary by statements in an editorial in the *Globe and Mail* of March 10 dealing with the Plebiscite Act, statements which are erroneous and which, if not corrected, may do great harm in the taking of the plebiscite vote. I quote from the *Globe's* editorial headed "Voting Qualifications"—

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order. I do not think this question is one that should be put on the orders of the day. I suggest that the hon. member place it on the order paper.

Mr. GOLDING: The leader of the opposition must take the responsibility for not having this matter brought to the attention of the house.

Mr. HANSON (York-Sunbury): Put it on the order paper.

[*Later:*]

Hon. N. A. McLARTY (Secretary of State): Mr. Speaker, I do not wish in any way to transgress your ruling, but the hon. member for Huron-Perth (Mr. Golding) notified me of his intention to ask the question. Unfortunately, it is one which I do not think he could put on the order paper; it was merely to correct a misapprehension which has arisen in connection with the Plebiscite Act. For that reason, Mr. Speaker, and because I believe it should be corrected, I would like to make an extremely brief statement.

The suggestion is that in a certain editorial article a statement was carried to the effect that evey person who has applied for postponement of military training, unless it has been refused, is disqualified from voting. I believe that is the question which the hon. member had in mind. I would like to correct this impression. It is not an impression which has been created in any sense wilfully; probably it arose through too brief a reference to the provisions of the act itself.

The only persons disqualified who have applied for postponement are those who have applied under sections 18 and 19 of the regulations made under the National Resources Mobilization Act.

I desired to take the opportunity, sir, to correct any wrong impression which may have otherwise been created.

Mr. GOLDING: There is another section of that editorial to which I would like to draw attention. It says:

Besides these things, it is provided that any person voting at the plebiscite "shall thereafter be ineligible or incompetent to apply for or to be granted on the application of another, the postponement or exemption from military training" provided for in the national war services regulations or any amendment thereto.

This is very important.

Mr. McLARTY: In connection with that question, the answer which I gave previously applies equally. It is only if they apply under the two particular sections of the regulations under the National Resources Mobilization Act—it has been suggested that I amplify this—dealing specifically with conscientious objectors, and with Mennonites and Doukhobors.

HOUSE OF COMMONS

READING OF SPEECHES—REFERENCE TO STATEMENT IN OTTAWA "JOURNAL"

On the orders of the day:

Mr. J. K. BLAIR (Wellington North): Mr. Speaker, according to the Ottawa *Journal* practically every speech delivered in the House of Commons nowadays is read from a manuscript, and the *Journal* says this is not debating.

Some hon. MEMBERS: Order.

Some hon. MEMBERS: Put it on the order paper.

Mr. SPEAKER: Order.

INTERNMENTS

REPRESENTATIONS OF DELEGATION FROM CIVIL LIBERTIES ASSOCIATION

On the orders of the day:

Mr. J. W. NOSEWORTHY (York South): Mr. Speaker, I should like to direct a question to the Prime Minister. In reply to a question put by the hon. leader of the opposition (Mr. Hanson) reported at page 779 of *Hansard* of Monday, February 23, the Prime Minister told the house that he was in sympathy with representations made to him recently by the Civil Liberties Association and indicated that the Department of Justice was considering the extent to which the representations would be acted upon and that an announcement regarding the matter would be made in due course.

Some hon. MEMBERS: Order.

Some hon. MEMBERS: Put it on the order paper.

Mr. SPEAKER: I am afraid that this question is in the category of those that should not be asked on the orders of the day.

AIR RAID PRECAUTIONS

INQUIRY AS TO CONDITIONS IN BRITISH COLUMBIA

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver East): Will the Minister of Pensions and National Health give an undertaking to make a statement in the house before we adjourn for the Easter recess, on the development and progress of air raid precautions on the Pacific coast?

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health): I shall be pleased to do so at the appropriate time, probably next week.

Mr. COLDWELL: Will the minister call an item of the estimates so that hon. members may have the opportunity of questioning him?

Mr. MACKENZIE (Vancouver Centre): Probably the most convenient place will be in discussion on the appropriation bill when it is in committee.

CANADIAN WHEAT BOARD ACT

PROVISION FOR INCREASED RATE PER BUSHEL ON WHEAT DELIVERED BY PRODUCERS

The house resumed from Thursday, March 12, consideration of the motion of Mr. MacKinnon (Edmonton West) for the second reading of Bill No. 13, to amend the Canadian Wheat Board Act, 1935, and the amendment thereto of Mr. Douglas (Weyburn).

Mr. W. A. TUCKER (Rosthern): Mr. Speaker, I do not intend to detain the house very long with my remarks this afternoon. I feel, however, that I should say a few words in view of the fact that some of my friends on the left have seen fit, since I spoke on the motion itself, to mention my name from time to time.

First of all I should like to express appreciation to hon. members from other parts of Canada who have spoken on this question. Although all of them have not entirely agreed with the requests which have come from western Canada, they have shown a desire to examine those requests fairly and to do what they regard as a measure of justice to fellow Canadians who live in the west. I am sure that that attitude is very much appreciated by western members.

I realize, of course, that there is a feeling that when you put the assistance granted by parliament on a bushel basis entirely, you lay yourself open to the charge which is made from time to time by hon. members from other parts of the country, that the larger the scale upon which a man farms, or

the bigger his crop, the more you give him, and the smaller the farm he has, or the poorer his crop, the less you give him. I have heard many hon. members from the east say that they would not mind giving all necessary assistance to a man to live and bring up his family, but they do object to giving large sums of money to people who mine wheat and produce thousands and thousands of bushels.

That brings up something which should always be borne in mind by those of us who come from western Canada. Last fall there was quite a movement to make a further payment on participation certificates which had been given to farmers who had delivered wheat last fall to the wheat board. The suggestion was made that at least another 10 cents be paid, which would have cost the government $20 million. I was one who urged very strongly that, if the government were ready to pay $20 million to assist western agriculture, it would be much fairer to pay that out on an acreage basis than by means of a further 10 cents a bushel on wheat delivered to the wheat board.

In my own constituency, I believe the average yield would not be more than around six bushels to the acre. There was an almost entire failure of coarse grains in some parts of it, which meant that the people in that constituency, after they took out two bushels an acre for seed, provided for their own flour requirements, and kept back wheat for feeding purposes to take the place of the oats and barley which they did not have, would have very little wheat to sell. Furthermore, about half the people in western Canada who did have wheat to sell had sold it on the open market. So, if you had granted 10 cents a bushel, very little money would have gone into constituencies like mine; all the money would have gone to those districts which had good crops.

So far as I was concerned I said, if the treasury of this country is going to devote $20 million to assist the farmers of western Canada, if it puts it out on an acreage basis it is going to make sure that everybody gets something, and that the person with no crop or a poor crop gets at least as much as the person with a good crop. Surely that is not unfair.

But, Mr. Speaker, because I took that stand, and had to oppose the suggestion that that ten cents should be paid out on wheat, I was attacked by those people from the heavy crop districts who wanted the price paid on wheat, and who demanded it, and were ready to try to destroy anybody who would not fall in line with that view.

[Mr. Tucker.]

So far as I am concerned, I have no apologies for the stand I took. I believe that if the money which this parliament is ready to vote for the assistance of western Canada were placed at least in part upon an acreage basis, rather than used in an attempt to run up the price without regard to helping the man with no crop or a low crop, there would be far more support for that proposal in this house than there is for a high price for wheat alone.

As I stated in my speech on the main motion, agriculture is as much entitled to parity prices as is any other branch of industry or activity in this country. There are two ways in which you can grant parity prices. I took 1913-14 as the base and indicated that to give the farmer the same purchasing power as he had in that year he would have to receive the equivalent of $1.20 a bushel, basis No. 1 northern. In 1913-14 there were no bonus payments. There was nothing of that sort. But if you give an initial price and then supplement it with bonus payments which raise the average amount received by the farmer to the equivalent of $1.20 a bushel basis No. 1 northern, Fort William, you are really giving parity prices although it does not appear so on the surface. As the Minister of Agriculture (Mr. Gardiner) pointed out in his very able speech—in fact there were two of them, and I enjoyed them very much; I hope they will be sent all over western Canada; I intend to do my part to see that they are—

Mr. ROSS (Souris): They will be.

Mr. TUCKER: Thank you very much. He pointed out that on the basis of 70 cents initial payment, Fort William, and another $60 million spread over 200 million bushels, the price was brought up to $1 a bushel, basis No. 1 northern, Fort William; that is the average amount received by the farmer. If this motion carries and the initial price is raised to 90 cents a bushel; if the government could see its way clear to make the same bonus payments this year as it made last year, and if, further, the crop were the same size, 200 million bushels, then it would raise to the parity or basic price, the average price, namely, $1.20 a bushel basis No. 1 northern, Fort William. But by doing it in that way you would be making sure that the person with a low crop or a short crop got something. In that regard of course I will admit that if we grow enough wheat to market the 280 million bushels of which the government considers receiving delivery, the amount of these bonuses spread over 280 million bushels would represent only 22 cents a bushel—not quite that—and so raise the average price received by the farmer to $1.12 instead of $1.20. That would be only if you continued the prairie farm

assistance payments, the wheat acreage reduction payments and the prairie farm income payments.

Mr. WRIGHT: Under the other two bills as they are at present, the payments are cut in half. There would be no prairie farm assistance payment.

Mr. TUCKER: If my hon. friend had waited, I was going to deal with that. I was going to point out that so far as I am concerned I should like to see the government provide for prairie farm assistance payments as large as were given last year, if not larger. I should like to see the bonus payments, that is prairie farm income payments, made as large as they were last year, if not larger. I think we in western Canada would be doing more good to the people who need it out west if we based our request to the government on that consideration instead of putting emphasis entirely upon price per bushel. My hon. friend says there is no provision for prairie farm income. There was no provision for prairie farm income when parliament adjourned last year; that was provided for by order in council. I sincerely hope that when the government by this bill is providing more money for those who have wheat to sell, it will not give less to the person with little or no wheat. Personally I am prepared to accept the provision in this bill for raising the price to only 90 cents a bushel, if supplemented by at least the same amount in bonus payments as made last year—1941. I wish to impress upoan the government, with all the emphasis I am capable of, that they do consider making the same bonus payments they made last year. If we have only 200 million bushels of wheat, it will bring the price up to $1.20; but even if they make the same bonus payments as they did last year and we deliver 280 millions bushels, then the price that will be received by the farmer will be around $1.12 basis No. 1 northern, Fort William.

One of the reasons why I am prepared to vote for this motion and have the matter referred to a committee is that all these considerations should, I think, be taken into account. On that committee there are Canadians from other parts of the dominion, who, I believe, want to see a measure of justice given the western farmers, and I trust that there will come out of the committee recommendations on the basis of which the government will see fit to make, and will be justified in making, bonus payments that will at least provide for the same amount paid by way of bonus as was paid last year.

This would mean an amendment to the Prairie Farm Assistance Act. I hope that these things will be given consideration. If the members of this house would take that attitude as a united group from western Canada, they would be doing more good for the farmers than by simply laying the entire emphasis on price. I have here a little table which I made up comparing receipts as between $1 a bushel and 90 cents a bushel with 1941 bonus payments. If we get 90 cents a bushel plus the bonus payments of last year, leaving out of consideration wheat acreage reduction—I am assuming in all cases the farmer will retain two bushels per acre for seed and that the price he receives on the farm is 20 cents under the amount received at Fort William—then in the nothing to four bushels per acre category, if the price were set at $1 the amount received by the farmer without bonuses, in that category, would be on the average nothing, because the average yield would be two bushels, which he would have to keep for seed. He would have nothing to sell, and no matter what this government granted as a price, such a man would get nothing at all from them—nothing on acreage and nothing per bushel. On the other hand, if the same bonus payments were made as last year, the average amount paid to the farmer in that category would be $2.75 an acre or $3.25 an acre if he were in a crop failure area. The amount per bushel cannot be calculated. It would be 275 times or 325 times what he had to sell, but he has nothing to sell, and so you cannot calculate the amount per bushel.

In the four to eight bushels per acre category, if you gave $1 a bushel without bonus, the amount he would get would be $3.20 an acre on the average, or 80 cents a bushel. But under the policy of 90 cents a bushel plus bonus he would get $5.05 an acre, which is almost $2 more, or an average of $1.26¼ a bushel instead of 80 cents. That is the position of the man in the four to eight bushels per acre category. Surely he is entitled to more help than the man with a large crop, and under this system he would receive $1.26¼ instead of 80 cents, as I have pointed out.

Take next the man with a yield of from eight to twelve bushels per acre. Under the dollar system and no bonus he would get $6.40 an acre, or 80 cents a bushel. But under the system of paying 90 cents plus bonus he would get $8.35 an acre as against $6.40, or $1.04 instead of 80 cents. So that even the man having from eight to twelve bushels to the acre is better off; in fact anybody getting less than twelve bushels to the acre would be better off to get 90 cents plus the same bonus as last year.

Mr. DOUGLAS (Weyburn): Has anyone in this debate, or the representative of any group, recommended that the bonus should not be paid?

Mr. TUCKER: No. Apparently I have not made my point clear. It is that the amendment was made on the question of price. I think hon. members would have done better for western Canada and got more support in the rest of Canada if they had put the emphasis on asking for the same bonus or increasing the bonus. That, as I say, would have done more good to the people out west who need it and would have gained more support in the rest of Canada. Instead of that, the opposition moved an amendment based entirely on the question of price. I leave it to the judgment of this house and of western Canada as to why they placed the emphasis on price instead of on what would be in the best interests of our country.

Mr. COLDWELL: The hon. member could have moved an amendment to that effect.

Mr. TUCKER: Yes, but I am not in the opposition. I will deal with that in a moment. The function of an opposition I think is not to play to the gallery but to do the best thing for their people out west.

Mr. COLDWELL: I object to that imputation of motives that in doing a perfectly legitimate and proper thing we were playing to the gallery. I ask that that aspersion be withdrawn.

Mr. SPEAKER: I think the hon. member should withdraw that statement.

Mr. TUCKER: I withdraw it. As a matter of fact I would not have said it if I had not been goaded on.

Now take those in the category from twelve to twenty bushels. It is when one gets into that category that he is better off if given a dollar a bushel without bonus. Then he gets an average of $11.20 an acre, or 80 cents a bushel, whereas under the system of bonus and 90 cents a bushel, it would yield only $10.55 an acre.

That is the comparative effect of the two systems. In my judgment my hon. friends would have done better to put a little more emphasis upon bonuses for the benefit of the farmer with the poor crop or no crop at all.

A question was raised about amendments and so on. I spoke Monday last about the effect of the raising of the price to 90 cents on the person in the eight to twelve bushels per acre category. I urged the minister to consider an amendment to the Prairie Farm Assistance Act to make sure the person in that category would get $1 an acre on half of his acreage. I ask you, Mr. Speaker, how many hon. members of the opposition supported me in that view?

Mr. DOUGLAS (Weyburn): I did.

Mr. TUCKER: I believe the hon. member for Weyburn did, and I give him credit, but how many others did?

Mr. COLDWELL: He spoke for the group.

Mr. TUCKER: Well, we will give the group credit, but another member of the group did not mention it when he spoke.

Mr. COLDWELL: We do not repeat things.

Mr. TUCKER: Oh, I think if there is any group in the house that does repeat, it is the Cooperative Commonwealth Federation group. If they had felt very strongly about this, they would not have minded repeating it—every one of them.

Mr. DOUGLAS (Weyburn): We have not finished yet. There is still the committee stage.

Mr. TUCKER: Well, you might have done it in the house too. I shall be glad, however, if you accept the suggestion and support it in committee for all you are worth.

The question before the house is a simple one of approving the principle that we raise the initial price from 70 cents to 90 cents. To that the hon. member for Weyburn has moved an amendment, the effective part of which reads as follows:

> That this bill be not now read a second time—
>
> That is the bill raising the price from 70 to 90 cents.
>
> —but be it resolved that the disregarding by this parliament of the modest representations made by western agriculture for a parity price for all agricultural products and an initial wheat payment of at least $1 per bushel for No. 1 northern basis Fort William is contrary to the peace, order and good government of Canada.

That amendment is sufficiently comprehensive that if my hon. friends had been much interested in the bonus, they could have introduced a suggestion that they were favourable to its partly being achieved at least by a bonus plan.

Mr. DOUGLAS (Weyburn): The legislation provides that.

Mr. TUCKER: The foundation is well laid in western Canada for my hon. friends to get a great deal of credit by coming out for dollar wheat. I will not say that was the reason for moving this amendment, but it will be for the people of western Canada to judge when the time comes.

What would be the effect of voting for this amendment? It would be that the attempt to raise the price from 70 cents to 90 cents would be defeated.

Some hon. MEMBERS: Oh, no.

Mr. TUCKER: Of course it would be. The motion for second reading would be defeated. The bill would be killed. It would not go to committee. Who would revive that bill? Unless the government were ready to bring in another bill, it would be killed and the price would remain at 70 cents.

Mr. COLDWELL: That is right.

Mr. TUCKER: My hon. friend says, "That is right". I will deal with that in a minute; I will deal with all the possibilities. My hon. friends seemingly are quite excited about it. We hear a great deal about hon. members, once a party policy is decided upon, supporting that policy. I think the Cooperative Commonwealth Federation have had something to say about that. I do not know any group in this house that stick more closely together as a party than the Cooperative Commonwealth Federation. The time is coming when they should stop talking like that, because they must look forward to the time—I hope they are not without hope among themselves—when they might form a government, and they never could run this country unless they stick to the policy of party solidarity. So they should stop decrying the only way in which a government can be run in this dominion.

There is a lot of talk about voting for a party policy once it is agreed upon. Supposing this government were to tell hon. members, "Vote as you please on this bill; we do not care whether you defeat it or not". I ask every hon. member to answer honestly to himself this question: If that were done, would there be any assurance that the price of wheat would be raised one 5-cent piece over 70 cents?

Mr. DOUGLAS (Weyburn): It is an awful reflection.

Mr. TUCKER: There are enough hon. members in this house who do not believe in raising the price over 70 cents that if my hon. friends joined them in voting that way and against the bill, it would be defeated and we would not get another cent over 70 cents. Yet they decry the very policy that makes it possible for us in the west to get a little measure of justice. Again, Mr. Speaker, I leave it to the judgment of the country whether or not they believe those things they have been saying. I am not saying they do not, because of course if I did so I would be made to withdraw it.

Suppose we take another possibility. Supposing the government were to say, This is a question of confidence, of government policy, and we expect our members, the government as a whole having agreed upon it, to back us us up in doing what we think is best for the country as a whole, and to vote for it. And supposing all of us from western Canada, regardless of party, including the Liberal members were to join in attempting to defeat the government and were to carry the amendment killing a bill brought in by a minister; it would bring on an election in this country at this time. Does anyone suppose that if we forced an election on an issue which has to do only with making us in western Canada better off, we would get from such an election as sympathetic a parliament as we have to-day? After all, we must face realities. I know my hon. friends will say, "We can take the stand that you are not doing enough, because the government, having made it a question of government policy, has enough supporters to put it through. The increase from 70 cents to 90 cents will not be stopped. So we can fight it and oppose it; the Liberals will have to take the onus of putting it through. We can move an amendment like this, then we can go out into the country and say that the Liberals have done so and so, and we can read their names." They will read the names of the hon. member for Melville (Mr. Gardiner), perhaps; the hon. member for Regina City (Mr. McNiven), and, if you will, the member for Rosthern (Mr. Tucker). I have read in the papers over and over again how my hon. friends have suggested that that dirty dog from Rosthern has voted against the best interests of the farmers of the west.

Mr. COLDWELL: I rise to a point of order. The hon. gentleman is imputing language to members of this house which they have never used.

Mr. TUCKER: No, no.

Mr. COLDWELL: "Dirty dog"? No one has ever heard me, or any other member of this group, refer to anyone in that language. May I say also, on a further point of order, that the hon. gentleman is imputing to this group motives which he has no right to impute.

Mr. TUCKER: I was speaking metaphorically. I do not think for a single minute that any of my hon. friends really would refer to me literally as a dirty dog, no matter what they might think.

Mr. COLDWELL: I object to that, Mr. Speaker; I object to the hon. member saying that we even think he is a dirty dog.

Mr. TUCKER: Well, I am very glad to hear from the acting leader of the opposition

that they do not even think it, because sometimes when I hear the way I have been spoken of in the country, I have had my suspicions, and I am glad to be reassured. In any event, I have heard it said often that among others the hon. member for Rosthern voted in favour of the government "because he was under the party whip, because he was hide-bound, while we, the great defenders of the west, voted against it." That has happened in the past. Can I be blamed for thinking that it may happen in the future, perhaps in regard to this very amendment? Of course it may be that the members of the opposition will not act in future as they have in the past; if they do not, I shall be wrong in what I am saying and thinking about this amendment.

Having said that, Mr. Speaker, I do not think anyone can have any doubt that I believe I shall be doing what is right for western Canada in voting against this amendment and in favour of the main motion.

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, it is not for me to enter into the controversy that has been going on, between the hon. member for Rosthern (Mr. Tucker) and the Cooperative Commonwealth Federation group; but in my opinion, after listening to his explanation of why government supporters from the west sometimes vote against those things that are necessary for the west, his explanation will not be very favourably received. What it amounts to is this: "On occasion we cannot vote in favour of those things that we believe are necessary because to do so would amount to voting want of confidence in the government, and we would not do that." But as far as the amendment is concerned I believe the Minister of Agriculture (Mr. Gardiner) said the other night that this was not a motion of want of confidence in the government. Therefore this time members from the west need have no fear that they will be voting no confidence in the government if they support a policy that represents the viewpoint of the 185,000 farmers of Saskatchewan who signed the petition, and which has the support of great numbers of farmers in Alberta and Manitoba. The statement made by the hon. member for Rosthern to-day, that those who would support this amendment would do so in order to play to the gallery, is very poor tribute to the great number of western farmers who believe that the only salvation for western agriculture lies in the adoption of the principle set out therein.

This is not a matter of charity. After listening to the hon. member for Rosthern one would almost think that hon. members from other parts of Canada feel that when western agriculture is assisted the government is doing an act of charity. I do not think that is their attitude; I have not found it to be that way. The western farmer to-day is not asking for charity but for parity, for equality with all other industries in Canada producing the needs of war, to the end that western agriculture, as well as agriculture generally throughout the dominion, may enjoy the same consideration that is given other industries in Canada to-day.

I am not one of those who contend that increasing the advance to 90 cents a bushel will not be advantageous to western Canada. It will. It is a step in the right direction. But I would point out that the problem, so far as the wheat grower is concerned, consists of two parts. First there is the problem of getting a fair and reasonable price to the farmer who has a crop; and then, there is the problem of giving a fair allowance or compensation to those who by reason of drought or otherwise, have not a sufficient crop. So far as this legislation is concerned, while it increases the initial payment by 20 cents a bushel, it takes away a very considerable amount from those who this year will not have a crop at all. It makes no provision for the payment of a prairie farm income, and it reduces the payment under the Prairie Farm Assistance Act, in that those who have a crop of from eight to twelve bushels to the acre will be denied any bonus this year. But what is more serious is that the Minister of Agriculture has stated that when this legislation is passed it will put a ceiling on any further action on the part of this government as far as agriculture is concerned.

An hon. MEMBER: For this year.

Mr. DIEFENBAKER: Not for this year; for any year. Here are the words of the minister, at page 1127 of *Hansard:*

> The action we are now taking is the final step in a policy which was laid down at the beginning of the war and which has been consistently adhered to up to the present time.

Mr. GARDINER: That was to lay floors, not ceilings.

Mr. DIEFENBAKER: It is not the final mile; it was the final step.

Mr. GARDINER: In laying floors for farm products, not ceilings.

Mr. DIEFENBAKER: There is no reference to that in the hon. gentleman's remarks.

Mr. GARDINER: Read the speech through, and you will find that is what it is all about.

Mr. DIEFENBAKER: When the Minister of Agriculture is speaking he very seldom

gives anyone an opportunity to ask a question. Perhaps he will take the same attitude toward me as I pursue my argument. I shall be only too glad to answer any questions he may ask; but his explanations as to why he made the statement, and what interpretation should be put upon it, he can reserve until after I have concluded what I have to say.

Mr. GARDINER: I will put it in at the right place.

Mr. DIEFENBAKER: In order that there may be no mistake about it, we find that at page 1211 of *Hansard* the minister is reported to have said:

> We are taking every last dollar out of the treasury of Canada to deal with these problems which we feel it is safe to take at this present time.

Mr. GARDINER: "At this present time".

Mr. DIEFENBAKER: When we bring those two statements together, what it amounts to is this: Nothing further is going to be done—that this is the final action the government is going to take in so far as relieving agriculture and the wheat farmer of western Canada is concerned. I find it difficult to understand the change in his point of view which has taken place; for it was only a few short months ago the Minister of Agriculture took the stand that the government had decided—and I shall give him an opportunity now to deny this—that it would not raise the initial payment of 70 cents a bushel, and that it was not a proper thing to do.

Mr. GARDINER: I have not said that since this year's policy was under consideration.

Mr. DIEFENBAKER: I say that last fall the statement was made by the Minister of Agriculture, and his statement appears in the *Family Herald and Weekly Star* of November 12, where he was endeavouring to explain how it was that in a radio speech in Saskatchewan he had been able to show the farmers, by an unusual mathematical formula, that 70 cents a bushel at Fort William, plus nothing, amounted to $1 a bushel.

Mr. GARDINER: And the farmers agree that it was right.

Mr. DIEFENBAKER: The minister said this:

> Representations have been made to the government to the effect that the farmer must have more. The government has decided that more should be paid, but does not believe the best results can be obtained in distributing further funds through increasing the advance provided for under the wheat board act, and has suggested to the Department of Agriculture that we work out plans under which at least $60,000,000 can be distributed to farmers on an acreage basis.

Mr. GARDINER: For 1941.

Mr. DIEFENBAKER: That statement was made in November of 1941.

Mr. GARDINER: And the $60,000,000 is paid on the 1941 account.

Mr. DIEFENBAKER: That statement represented the viewpoint of the government at that time. The situation is that the government has changed its mind since last fall. What is the reason for that change?

Mr. DOUGLAS (Weyburn): That is not unusual.

Mr. SPEAKER: The hon. member should not interrupt.

Mr. DIEFENBAKER: What is the reason for it? Has there been any change in conditions which warrant a change in the point of view of the government? I am asking this: Has there been any change? What has taken place since last fall? Is there anyone who can answer that?

Mr. GARDINER: We are going to have another crop in 1942.

Mr. DIEFENBAKER: May it be that we are going to have an election in Saskatchewan in 1942? Only a few weeks ago the minister announced that the principle of giving an increase in the initial payment on account of wheat was one the government could not accept. Now what could not be accepted becomes the keystone upon which the whole policy is built. Has there been any change in the last six months in the price the government of Great Britain is paying Canada for wheat? That is one question the minister has not answered. Will the minister say whether there has been any change?

Mr. GARDINER: I was not listening to the hon. member; what was he saying?

Mr. DIEFENBAKER: Whenever a question is asked which the minister realizes might be destructive of some of his arguments, he says that he has not been listening. I say there has not been any change, and that the price is almost the same as it was six months ago.

Mr. HANSON (York-Sunbury): Higher.

Mr. DIEFENBAKER: According to what I have been able to deduce from the information issued by the Department of Trade and Commerce, there has been no increase in the price paid for Canadian wheat by Great Britain.

Mr. GARDINER: We are drawing nearer to the time it is going to be needed.

Mr. SPEAKER: Order.

Mr. DIEFENBAKER: What is the reason, I ask, for the change in point of view? It seems clear that it is not a question of any increased price being paid by the British government. Throughout the year 1941 the explanation was that the government could not set the price above 70 cents because Great Britain was not paying more. No one asks Great Britain to pay more, even should the principle of the amendment be accepted. Why has there been a change in policy? Was it Donald Gordon of the wartime prices and trade board who asked the government to make the change? The increase will interfere with the price ceiling—a price ceiling which we condemned last fall in this house, because it set the prices of agricultural products at one level and the prices of things the farmer had to buy at a higher level.

Last November, at the very time the Minister of Agriculture was making his statement to the press that the government did not believe in any increase in the initial payment, meetings were being held throughout western Canada asking for an initial price of $1, for a parity price, and for payment over a period of years of the difference between the amount of the initial advance and the amount of the parity price.

The hon. member for Rosthern pointed out—and with considerable force—the reason why hon. members supporting the government could not support some of the amendments moved by opposition members. May I point out, so far as the parity price is concerned, that on March 26 last an amendment was moved by the hon. member for Haldimand (Mr. Senn) and seconded by the hon. member for Qu'Appelle (Mr. Perley). The motion having been dropped, it was again placed on *Hansard* by myself, and seconded by the hon. member for Peel (Mr. Graydon). In that resolution the following words appeared:

> That the government should take immediate steps to create a parity of prices as between agricultural and other products in order to improve the condition of Canadian agriculture and in order that it may receive a just and fair return, and thus be enabled to make that contribution to Canada's war effort which is so desirable, and which our agricultural population so greatly desire to make.

A subamendment was moved by the hon. member for Mackenzie (Mr. Nicholson). It provided for a minimum price of 85 cents a bushel, a processing tax and certain other terms to which I shall not now refer. A resolution, upon which the subamendment was based, had been adopted by the Saskatchewan legislature unanimously.

When the matter came up for vote in the house why was it that every hon. member on the government side, except the hon. member for Portage la Prairie (Mr. Leader) found it necessary to vote against those two amendments? They voted against the principle of the parity price, and voted against an increase to 85 cents in the initial payment to western farmers.

Hansard reports that the hon. member for Dauphin (Mr. Ward) went out of his way last night to refer to me. I cannot say he voted against either of the amendments, because apparently he was not in the house at the time that one of the most important resolutions affecting western agriculture was being voted upon.

The initial payment of 90 cents a bushel apparently represents a compromise between those who believe that western Canada and the western farmer are receiving enough to-day and those who want the government to go the whole length; but I cannot understand why it is necessary for the government in making this compromise to do away in part with some of the bonuses which western Canada has been enjoying during the past year. The Minister of Agriculture has on more than one occasion referred with pride to the Prairie Farm Assistance Act, as he is entitled to do, because it represented a very material advance in improving the economic position of the farmer. It has meant much to western Canada and I think it only fair to say that if it had not been for that legislation many of those in my constituency who are able at least to carry on during 1942 would have been quite unable to do so.

Mr. ROSS (Moose Jaw): They probably got more out of it than out of wheat.

Mr. DIEFENBAKER: As a matter of fact, the yield, as my hon. friend is aware was very low, and so far as certain portions of my constituency are concerned his statement, I believe, is a fact.

I am entering into no political controversy on this question, but when one hears some of the speeches that have been delivered in this house that there was some untoward purpose in the recent historic visit of the western farmers to Ottawa, I want to say that that group of men came down here without regard to party and with but one aim in view, to place before the government, fairly, squarely and honestly the viewpoint of the western farmer. They did not come in any threatening manner; they came in an attitude of compromise because they had been unable to obtain what they have been asking for since 1935. The hon. member for Rosthern said to-day that it was impossible for government members to insist because if they were to stand for certain principles in the way of

bringing together east and west it might defeat the government. We on this side of the house have consistently stood for the things which this delegation of farmers stood for and the essence of what they stood for was a parity price, with an initial payment of $1 per bushel. They are now to receive 90 cents under the legislation, and they should know at the same time that while the government is raising the payment to 90 cents it is taking away from them certain of the bonuses which they are enjoying to-day.

I am not going into any figures to-day in reference to the increase in the cost of living or a comparison of the index of 1913-14 with 1941, because that has already been done. The war has been on for two and a half years. We have pressed for these things in season and out of season, and it is only now on the eve of a provincial election in the province of Saskatchewan that the government has seen fit to introduce legislation to improve the position of the western farmer. I do not hear any denial of my statement that it is anticipated that there will be a provincial election this summer in Saskatchewan. I am going to say this, and I know it will not appeal to all hon. members in this house, that with the war situation what it is to-day, and with the warning ringing in our ears which the Prime Minister gave the night before last as to the peril in which we find ourselves, no government in any province should find it necessary, particularly when it has still one year and a half to run, to go to the people and divide and separate them and have all the recriminations that necessarily accompany an election at the very time when Canada and the empire will be fighting our greatest battle for survival.

The government of the province of Saskatchewan has still one year and a half to go and if it calls an election this summer it will be calling it in a world situation described by the Prime Minister the day before yesterday in these words:

> Never in the world's history has the danger to civilization itself been comparable to what it is at this very hour. Even in the short period since the launching of the loan, the enemy, on all fronts but one, has gained an almost continuous series of military successes. He is continuing to make further and far-reaching gains.
>
> From every continent and from every ocean the call continues to come for more planes, more tanks, more munitions, more ships, more food, more fighting men.

Mr. ROSS (Moose Jaw): If the hon. member will permit a question, may I ask whether he is still the leader of the Conservative party in Saskatchewan and speaking as such?

[Mr. Diefenbaker.]

Mr. DIEFENBAKER: No, I am no longer leader nor have been since October last. I am speaking as a member of this house, believing that the very existence of this empire is at stake, and I say that in Saskatchewan and in any other province of Canada we can afford to postpone the luxury of partisanship and provincial elections at least until the termination of the period allowed by statute. What is the position going to be in Saskatchewan? I fear it. At a time such as this, when we should be mobilizing this country against the enemy at our gates, are we to divide ourselves, to separate with the desire to secure political power?

Mr. GARDINER: No election has been announced in Saskatchewan.

Mr. DIEFENBAKER: I am glad to have the assurance of the Minister of Agriculture that there is not going to be an election this year.

Mr. GARDINER: I did not say that. I do not know anything about it.

Mr. DIEFENBAKER: The minister says he did not say that?

Mr. GARDINER: I said that no election has been announced.

Mr. DIEFENBAKER: I thought he had gone so far as to say that there was not going to be one. Well, he would know. I am making a serious appeal, Mr. Speaker, with respect to holding this provincial election in Saskatchewan, and what I say applies to every province, for this is a time as never before, as members of the house are fully aware, when we are in a position of great peril, with the enemy at our gates.

I shall not take up very much more time. I have a few recommendations and suggestions to make to the minister and I shall give them as shortly as I can. My first suggestion is that he carry out the request of the farm delegation. The recommendations that were made by these western farmers to a solution of their problems represented a minimum, and I would point out that even if $1 a bushel were fixed as the initial payment the farmer would still find himself receiving in purchasing power only about 78 cents a bushel as at the beginning of the war. Reading over the evidence that was given when this delegation was before the government I find that without exception the minister's attitude was that the government was going to do its very best. Then, Mr. Speaker, my suggestion even at this late hour is that the hope expressed by Mr. Wesson, that tribune of the western farmers,

be carried into effect and that in committee the 90 cents a bushel initial payment be increased to $1.

Secondly, I respectfully suggest to the Minister of Agriculture that the Prairie Farm Assistance Act be amended so that farmers this year raising from eight to twelve bushels an acre will be enabled to receive a bonus.

Thirdly, a very striking address was made the other day in this house by the hon. member for Wood Mountain (Mr. Donnelly) in which he set out in detail the levy which is being made to-day by the great storage corporations upon agriculture in general, and the wheat farmers of Saskatchewan, Alberta and Manitoba in particular. I am not going to repeat what he said on that occasion, excepting to quote one statement he made, which appears at page 1183 of *Hansard:*

> There is no doubt therefore the elevators will be receiving in the neighbourhood of at least $50,000,000 for the handling of grain this year. On the other hand what does the farmer get? He gets less than 50 cents a bushel for 200,000,000 bushels. He will not receive $100,000,000, yet here is a man who does not do anything except handling the wheat and he is getting half as much as the farmer.

I suggest that, having regard to the tremendous amounts of wheat which are stored, the time has come to reduce storage rates below one forty-fifth of a cent by at least 33 per cent.

To me it is difficult to understand why, when the government has control of practically all the wheat in the dominion, it has seen fit to rent its terminal elevators to private corporations to store Canada's wheat, paying them one forty-fifth of a cent per bushel per day. On the 21st of May, 1941, I asked how many terminal or interior grain elevators in Canada and the United States were owned, leased or otherwise controlled by the government; where were such elevators located and what was their capacity. The answer of the Department of Trade and Commerce was that there are in Canada under the control of that department eight terminal elevators, located at Moose Jaw, Saskatoon, Lethbridge, Edmonton, Calgary, Prince Rupert and Port Arthur, with a total capacity of about 23,000,000 bushels one of which was rented to a private corporation and that the government received the year before as rentals $72,230.98. If one-forty-fifth of a cent a bushel was paid on the full capacity of the elevator—and they must have been full because there was such a shortage of storage—these companies received less of course the cost of administration, $260,000. I might point out too that ten elevators with a tremendous capacity, under the control of the Department of Transport, also are rented to private corporations, enabling those corporations to receive the tolls paid to them by the government for the storage of their own wheat. I think the time has come when the government of Canada should once more take over these elevators for the storage of the Canadian farmers wheat, instead of renting them to the private storage corporations, which are securing in consequence tremendous returns.

I suggest, next, that the time has come when we should again press for utilization of the Hudson Bay railway facilities. They have not been used to any extent since 1935. They have been used less, of course, since the war began—but very little less. My suggestion is that the whole problem of the Hudson Bay railway and the use of this particular route at this time should also be placed before the committee, to the end that the facilities which we have shall be utilized to the benefit of the people.

My next suggestion is this. Some weeks ago a speech was delivered in this chamber by the hon. member for Springfield (Mr. Turner) in which he suggested that the government should give consideration to the equalization of freight rates so that the farmer living in far-off Alberta or northern Saskatchewan would be in an identical position with a farmer living in the province of Manitoba. The arguments that he advanced in that connection appealed to me, and I suggest that they should be placed before this committee when it meets.

Next: Britain closed her wheat exchange directly the war broke out. We on this side of the house without exception since the beginning of the war have advocated the closing of the exchange. There was a suggestion the other day that it was going to be closed, but that has not yet been imported into the terms of any order in council, as I have been able to read those orders in council which were issued on March 9. Let me say in that connection that I cannot understand the attitude of the government in bringing before parliament only part of this problem, and, with parliament in session, passing three orders in council dealing with flax, wheat and so on and empowering the government, in so far as one order in council is concerned, to do that for which they condemned Mr. McFarland and the Bennett government, namely, to purchase wheat from others than the actual owners and producers. For the last several years the government has condemned the action of the government of Mr. Bennett, yet now by order in council they ask power to do that which they have condemned.

What of the grain exchange? Is it to be closed? Is it to continue? I was interested the other day in listening to the address of

the Minister of Trade and Commerce (Mr. MacKinnon) when he pointed out that trading in flax was to be forbidden. I asked him why, and the answer he gave was that the handling of flax is being made a monopoly of the Canadian wheat board in order to avoid speculative profits by people in possession of flax acquired at very much lower prices.

I ask, is the wheat situation any different in principle? The price of wheat is to be raised to 90 cents. Are there to be any provisions which will prevent those who acquired wheat at lower prices from selling it to-day at a profit. I would be glad to hear what they are.

The minister went on to say that a corresponding procedure has been adopted to prevent speculation in wheat for the same reason, and the house is entitled to details. Mr. Speaker, one thing which can be said for this government is that, if it has not been too favourable to the needs and the requirements of the producer, it has never failed to take cognizance of the needs of the storage and trading corporations. That is one of the major complaints made all over western Canada against this government.

I offer this as a further suggestion. When we are paying out, as the hon. member for Wood Mountain said, about $50,000,000 a year for storage, or half of what the farmer receives who produces the wheat, it is time to utilize the powers under the National Resources Mobilization Act, take over these elevators at a fair rental, or in any event those elevators which belong to the government, and operate them for the benefit of the farmers and taxpayers of Canada, instead of paying toll as at present to those who are the owners or lessees.

My next suggestion is this, that in addition to taking over grain storage facilities the government should, if necessary, also take over the processing and distribution concerns, unless the prices charged are kept to a minimum. They are doing it in other countries. Only recently an investigation took place in the United States, instituted by the American government, to ascertain how much of the dollar that was ultimately paid by the consumer for farm products in that country went to the farmer, and it was found that in 1940, which was one of the best years so far as farmers were concerned, in a list of 58 foodstuffs produced by the farm and bought by the average labouring man's family, for which the consumer paid $314, $182 went to the middle man while the farmer received $132. In other words the farmer received 42 per cent of the price which the product, produced by himself, ultimately realized. That was stated by Mr. R. O. Been, one of the authorities in the United States government, who said:

> Any reduction in marketing charges should benefit the consumer through reducing retail prices, and improve the position of the farmer by increasing the prices which he receives. Reduction of marketing costs could result from breaking up congestion and increasing efficiency at certain points in the marketing process. Improvement of terminal market facilities is a step in this direction.

I come now to one of the most serious situations in agriculture to-day, the assuring to the farmer of a supply of necessary labour in operating his farm. The attractions of industry and of munitions factories in eastern Canada, and in western Canada the armed services themselves, have placed the farmer in the position where he will not be able to carry on unless something is done by the government. A step was taken in the right direction yesterday by the order in council placed before the house by the Minister of National Defence (Mr. Ralston) whereby any man in the service may be granted leave so that he may assist with spring work and whereby national boards in the various provinces may grant the necessary postponements of men on farms who are called up for service.

The farmer is not asking that discrimination be made in his favour, but he feels that after two and a half years of war it is time that men were allocated to the positions and industries wherein they can do the most good. Allocations should be made of men from industries to farms, where they can better serve in that capacity, under a selective basis whereby all men should be placed where they can devote themselves to the best of their ability to the welfare of the state. In Britain it has been found necessary not only to comb munitions industries, but also to mobilize the young men and women in that nation to assist in agriculture. My suggestion is that the government at this time should consider the question of bringing in under the selective service provision the mobilization of the land army in Canada in order to ensure that the necessary production of food will continue.

It cannot be too often repeated that food is as necessary as munitions. Without food there can be no munitions, without food there can be no soldiers in the field. One of the major duties of the government at this time is to make sure this spring that farm labour shall be made available to farmers all over the dominion to the end that they shall be able to produce as they desire to do and whereby the empire's needs will be satisfied. Food is important. Only the other day I came across a quotation from the Secretary

of Agriculture of the United States, Claude R. Wickard, which struck me as being so appropriate at this time that I will quote it, and with this quotation I will close:

> Food is a whole arsenal of weapons in this struggle for human freedom. It is the driving force behind high production by munitions workers and top notch performance and strong morale among soldiers and sailors. Our national self-interest and our humanitarian instincts challenge us to do this job of producing food and do it on a scale that will write history. In the day of victory when the nations sit down at the peace table our food stocks will give great force to our views for they will show once and for all that democracy builds for the needs of common men. By winning our American battle of farm production we will help to make it possible once again for men in all parts of the earth to live in comfort, in tolerance and in freedom.

Mr. H. A. MacKENZIE (Lambton-Kent): Mr. Speaker, in my view this is a problem that affects agriculture not only in western Canada but in other parts of the dominion as well, and for that reason I should like to make a few casual comments upon the subject. Representing as I do, feebly perhaps but to the best of my ability, a riding in southwestern Ontario, a farming district, I regard this as a question of vital importance. Let me say at the outset that I am not in any way antagonistic to the people of western Canada or to western farm problems. I remember after speaking last year in the house I received from western Canada certain communications commenting on what I had said and virtually accusing me of being an opponent of western agricultural problems. That is not true, because I am quite familiar with our own agricultural problems. In fact I have a good deal in common with and a great deal of sympathy for the people who derive their livelihood from farming, and I do not know of any time, apart from the last war, when they received very much for the commodities they produce.

I am not an authority on western problems. I am not an authority on the wheat situation as it affects the west. I was greatly interested last Monday when the Minister of Trade and Commerce (Mr. MacKinnon) made his statement with regard to wheat and wheat surpluses and markets. He gave a comprehensive picture and put a good deal of information before the house. Those of us who have been around parliament hill for some time were prepared for a statement of that kind. He said that the initial price of wheat would be raised from 70 cents to 90 cents, and it had been generally believed that that was what would happen. When he made his statement in regard to the surpluses of wheat which the four great exporting countries of the world had on hand—or the estimate of what they would have on hand on July 31—it was a revelation to me, because the figure he gave was 1,300,000,000 bushels. That is a very considerable surplus.

The hon. member for Bow River (Mr. Johnston) last night referred to Ontario wheat and said, "We should have a price equal to that paid for Ontario wheat," or something of that kind. Let me point out that Ontario wheat rose last fall owing to domestic markets, the demand that existed, and the shortage there was in wheat for the making of pastry flour. The domestic market forced up the price of wheat, and when it had reached a certain level the wartime prices and trade board put a ceiling on it. There is no ceiling on western wheat. Western wheat is guaranteed merely a minimum price, and I hope that when the time comes and the price rises, as it is anticipated it will owing to markets for wheat, the board will not put the ceiling on too early.

The Minister of Agriculture (Mr. Gardiner) also gave a comprehensive statement regarding conditions generally in western Canada. He gave a good report on the plans they have this year for assisting western agriculture. The Prairie Farm Assistance Act has been in operation for some time, and also the acreage bonus policy. The statement he made, together with the statement of the Minister of Trade and Commerce looked very complete. I do not believe anyone had any serious objection to the statements made or the programme they mapped out for this year. Personally I considered it was quite far-reaching but that probably it was coming to western Canada. I did not anticipate speaking on the matter until one or two speeches were made that were rather provocative. So I felt I should say something in defence of Ontario agriculture.

As to what the future holds for wheat I would not even hazard a guess. Russia will probably be in the market for wheat in the near future. The great Ukraine area of 25 million acres will not be producing its normal crop this year, and it is quite probable that when the war is over, there will be a market in Russia for Canadian wheat. In the meantime Canada will have a big wheat surplus and be ready to meet any demand that may arise.

Wheat, I am sure, has been a major headache for the government. I think it was 1932 or 1933 when wheat in western Canada first became much of a problem. To help the situation the government started with a bonus of five cents a bushel. So wheat can scarcely be regarded as a war casualty. In 1938 western Canada harvested some 400 million bushels, and at 80 cents a bushel, which was a very low price then, it cost the treasury around

$60 million to market that wheat. That was before the war, when all the markets of the world were open to Canadian wheat and wheat products.

I think it was the hon. member for Rosthern (Mr. Tucker) the other night who was comparing conditions on the farms in Ontario and in western Canada, and he made some references which to me were rather amusing. He spoke of the percentage of cars, radios, telephones and houses with running water installed. Comparisons are always odious, and to me that was a rather useless comparison, for it must be remembered that farming has been carried on in Ontario for at least one hundred years. Surely, after a century of farming, no one would begrudge 10 per cent of the farm homes having running water inside. As to telephones, if we had the same conditions as they have in western Canada, telephone subscribers a mile or two apart, I doubt if we would have telephones at all.

Ontario agriculture is not at all prosperous. I do not know what the 1941 census will show, but the last census showed over $200 million of debt on the farms of this province. This means that around 50 per cent of the farms were mortgaged for approximately 50 per cent of their value. If anyone doubts that, let him get in touch with the farm loan board and he will find that is a fact. Some Ontario farms have been cultivated for two, three and four generations. The occupants have paid their debts and kept off relief, and I do not believe that western Canada begrudges them a little higher percentage of telephones or running water in the houses.

The farmer in western Canada has, we all admit, had difficulties. This is due largely to two reasons—one the loss of markets, and the other, partial, or in some places complete, crop failures. The government has been very generous in looking after the sufferers from those conditions and trying to alleviate the troubles of western Canada. Material assistance has been given through the Prairie Farm Assistance Act. Apparently all parties are agreed that this has actually brought relief to those who were in need.

However, agriculture all over Canada has gone through difficult times. When this conflict is over and we come back to normal conditions again, if we are ever going to have parity prices in any degree—I do not like to talk about parity prices, for seldom can we recall when farm prices were on a parity basis —I believe we shall have to have a new agricultural policy for Canada if agriculture is to survive.

There are many agricultural problems in western Ontario. That is the reason why I am presenting a few thoughts this afternoon.

In southwestern Ontario there is a bean problem. It is only a minor problem compared with problems of the whole dominion, but beans have been grown in western Ontario for a number of years. Until recently they found a market readily in the British empire, but this year, due to war conditions, we have a surplus of beans to sell. The only market is the British empire, but I believe Britain is getting a great deal of her supply of beans from the United States under the lease-lend act and is not so anxious to take ours. They have, however, made a commitment to take ten thousand tons some time during the year. They are not dealing through our Canadian marketing service, but want to deal through the trade; that is, the British Ministry of Food apparently insists on dealing through the trade. That means we have a ceiling for beans in western Ontario for domestic sales; we have no ceiling for export. Therefore the exporters, of whom there are only two or three, are in a position for bargaining for the beans to supply the British market at practically their own price. I know the Department of Agriculture is working on a plan to help the bean producers, in the hope of dealing directly through the marketing service of Canada. But if the bean producers of western Ontario were getting the same treatment to-day as the wheat producers, they would be pretty well satisfied. How then can I go back, as representative of a riding like that, and ask the bean producers to be taxed to pay a bonus or subsidy to western wheat, when they cannot sell their own product?

We have also in western Ontario a sugar beet industry, as mentioned by the hon. member for Essex South (Mr. Clark). A sugar beet refinery has been in operation in our riding for forty years. The price of sugar was set at the beginning of the war, and the growers' contracts were based definitely on the sugar price. On the one hand the growers are faced with a rising labour cost while on the other the price of the product is pegged. The result is that one factory will probably close altogether, whereas in view of the fact that there is a shortage of sugar this year and a prospect of an even more acute shortage next year, we should be producing all we can. So I say, how can I, as representative of a riding which has a sugar beet industry, go back and tell them that we want to tax them in order to pay a subsidy to the western wheat growers?

I am not very familiar with the wheat situation, but I should like to read a quotation from the hon. member for Wood Mountain

(Mr. Donnelly) as reported at page 2422 of *Hansard* for April 29, 1941:

The farmer is getting the 85 cents a bushel; that is what this $35,000,000 is for.

That was the vote put through last year.

It will be seen that 230,000,000 bushels at 15 cents a bushel comes to $35,000,000. That is the 85 cents a bushel which the government is giving the farmer of western Canada. That is why the price is what it is, and where the 85 cents comes in.

In addition to that, which according to the hon. member's contention last year would raise the price of wheat to around 85 cents a bushel, after the session had been adjourned the government voted another $30,000,000 for prairie farm income. This, together with the $8,500,000 paid in prairie farm assistance I think would bring the price of western wheat close to $1 a bushel. Whether or not it worked out in that way I am not in a position to say, but that is my information for that statement. A little further on he said something else which was rather startling:

I say that wheat can be raised for 50 cents a bushel, and make no mistake about that. Profit can be made out of it at that price. It is being done and has been done during the past two years. It can be done; but it must be done on a mechanized farm. It must be done scientifically, and it cannot be done in an old-fashioned war. One can farm to-day 1,600 acres of wheat and not pay any more for his labour than he did a few years ago to farm 320 acres. I can grow 800 acres of wheat to-day with as little labour as I grew 100 acres a few years ago.

I am not in a position to say whether or not that is correct, but that was the statement made last year by the hon. member for Wood Mountain. I suppose there are over 250,000 farmers in western Canada, and some of them must have very large farms, for the other day the hon. member for Melfort (Mr. Wright) said he knew of some farm bonuses this year as large as $10,000. If that is not correct, the hon. member will tell me so, but that was what I understood him to say. What is the situation this year? The initial price is increased to 90 cents a bushel, No. 1 Fort William. This means an increased cost, in connection with the number of bushels they expect to buy, of around $56,000,000. Then the acreage bonus plan, if it is in the same category as last year, will cost another $30,000,000, and on top of that there will be perhaps another $10,000,000 in prairie farm assistance. Surely this will mean that the western farmer will get over $1 a bushel for his wheat this year.

I am not complaining that the farmers are getting too much for their wheat. I should like to see them get a great deal more, but market conditions would not warrant it. The point that worries me, however, is whether they are satisfied with the assistance they are being given; and after having listened to what has been said in this house, I would say the answer was no. The other day the hon. member for Melfort made a statement which seemed very peculiar to me. As reported at page 1222 of *Hansard* he said:

I can assure you, sir, that is the attitude of western Canada. They are fed up and are desirous of getting a better deal than they have received in the past.

From western Canada we have also four other members of the cabinet—the Minister of Agriculture (Mr. Gardiner), the Minister of Trade and Commerce (Mr. MacKinnon), the Minister of National War Services (Mr. Thorson), and the Minister of Mines and Resources (Mr. Crerar).

I need not read what followed immediately after that, because I think it better not to put it on record again, but a little further on the hon. gentleman continued:

We feel that if those members of the cabinet who represent western agriculture here were determined to get a fair deal for the western farmers, they could get it. In addition, we have thirty-four members supporting the government who belong to western Canada. If those members would stand up for the people they represent rather than for the party, they could obtain what western agriculture wants; and if the three sections together—the Prime Minister, the members of the cabinet, and the members supporting the government, assisted by the members on this side of the house from the west—made a united effort, we could get it without a doubt.

I wonder whether it has ever dawned on the hon. member for Melfort that members of the cabinet represent Canada as a whole. Surely they must have a national outlook, and surely they could not present something to the house that would not be carried. If some of us would endeavour to get a more national outlook, and see beyond our own little domestic problems, we would get along with something really worth while. A little later the hon. gentleman said something that rather startled me. He spoke of some people who had moved from another part of Saskatchewan into his district, and said:

There are many people . . . who have moved to the northern part of Saskatchewan into the constituency which I represent. Many of those people are living on small farms; they took up bush homesteads and have some forty or fifty acres under cultivation. The wheat acreage reduction bonus does not mean a thing to them, neither does the Prairie Farm Assistance Act, because they always grow over twelve bushels to the acre, but their acreage is small. Neither does the other bill, which provides for a payment of 75 cents per acre on the cultivated acreage mean anything to them, because they have so little under cultivation.

It appears that these people have reached the point where, if they cannot come under some scheme of bonus or assistance from the government, they cannot possibly help themselves. Here we have people who cannot come under the Prairie Farm Assistance Act because their crops are too good. They cannot come under the bonus scheme because they do not require that sort of assistance, and they have such a small acreage under cultivation that they must have some bonus or subsidy from the government or they cannot make a living. I should like to compare those farmers with some farmers in Ontario. Our people in Ontario have been farming under those conditions for many years, and paying much higher taxes. When this bill goes to committee I think we surely should insert a clause to take care of that little group of people in the hon. member's riding, who have such good crops that they do not need one form of assistance, in order that they may be given some subsidy or support of some kind. Such nonsense!

Let me say further that when the income of western Canada was low the Minister of Agriculture—and I give him credit for it—sponsored a move to grant a subsidy or cost of living bonus to increase the income of prairie farms. Under that measure something like 75 cents an acre was paid on cultivated land up to a limit of 200 acres, which meant approximately $150 per farm.

Mr. GARDINER: Would the hon. gentleman allow me to ask a question? Is he aware that every farmer in Canada who is producing live stock as well as grain is receiving a bonus from the treasury?

Mr. MacKENZIE (Lambton-Kent): I am aware of that fact. I am also aware that western Canada produces a great many cattle, and that every year Ontario buys many western cattle. But under that scheme another $30,000,000 was voted. No one is making any complaint about that; I give the minister credit for coming to their assistance. But I want to ask this: Has any member from western Canada risen in his place in this house and said how much they appreciate what has been done for them by the government?

An hon. MEMBER: Yes.

Mr. MacKENZIE (Lambton-Kent): Well, I have not heard of it. I think they should at least give the government credit for having come to the assistance of the farmers of western Canada. I wonder whether they took part of the amount voted for prairie farm income to finance that delegation of two trainloads of farmers who came here to meet the Minister of Agriculture. Let me say that the minister was in error the other day when he said that there had been no other delegations of farmers or farm organizations to see him. There have been small delegations.

Mr. GARDINER: I did not say that. There was one delegation here to see me yesterday morning, so I would not say that.

Mr. MacKENZIE (Lambton-Kent): That was what I understood the minister to say. The fact remains, however, that small delegations have come here to see him, but certainly our farmers could not finance a delegation amounting to two trainloads.

In conclusion, I say to my western friends that I have every sympathy for western Canada. I believe agriculture as a whole should be looked after, and looked after well, because for a long time it has not received its share from the point of view of revenue. I believe the western members who have been complaining so much should thank their lucky stars that the Minister of Agriculture is from western Canada, and has given them a great deal of assistance. They must appreciate, too, that the Minister of Trade and Commerce is a western man. I believe those men are as fair as they can be, but a minister may be a little biased in favour of the constituency he represents.

I believe the whole economy is wrong. In my opinion the Minister of Trade and Commerce should come from one part of the country, and the Minister of Agriculture from another.

Mr. REID: It was not much different when it was that way, before.

Mr. MacKENZIE (Lambton-Kent): Well, it should be different. I believe the ministry must represent the whole dominion. We 245 members of the House of Commons come here with our problems, and those problems may look large to us. We lay them at the ministers' feet, or at the seat of government. We put them all together, and ask the government of the day to draw from that concoction a policy, not in the interests of western Canada, not in the interests of eastern Canada, but in the interests of all of Canada, and we ask them to be as fair and as equitable as possible. Sometimes we seem to take the position that because a minister lives in one particular spot he must fight for that spot, must get all the good things in life for it, or withdraw from the government.

I am not sure whether it was the hon. member for Battle "Axe"—or some such place—in western Canada, who placed a real gem in *Hansard* the other night. He pointed out that it was the squeaky wheel that got the

grease and the crying baby who got the attention. I would change that a little and say that if the wheel which is getting the grease is still squeaking, we had better take the grease away from it, and give it something to squeak for.

Probably I have taken too much time, but may I repeat that I do not wish to be antagonistic. I do not believe I am, because I try to see the picture as a whole. We shall have plenty of time to fight over our domestic problems when this war is over. I have not taken up much of the time of the house, but I believe we are spending far too much time in fighting about our wheat problem and the economics of our country, at a time when the empire is confronted with the greatest crisis in its history and is probably crumbling at this time.

Mr. HARRY LEADER (Portage la Prairie): Mr. Speaker, the hon. member for Laval-Two Mountains (Mr. Lacombe) has asked me if I would allow him to take up ten minutes of time before I proceed to speak. I told him I would consent, if it were understood that Mr. Speaker would afterwards allow me my place. With your permission, sir, I shall be pleased to make way for the hon. member, for about ten minutes.

Mr. MACKENZIE (Vancouver Centre): That cannot be done; it is impossible. If that were to happen, the hon. member would lose his place.

Mr. LACOMBE: Mr. Speaker, the hon. member for Portage la Prairie has permitted me to speak immediately—

Mr. MACKENZIE (Vancouver Centre): Order.

Mr. LACOMBE: That is the decision of the hon. member for Portage la Prairie, not the decision of the Minister of Pensions and National Health (Mr. Mackenzie).

Mr. SPEAKER: The hon. member for Portage la Prairie is now on his feet, and therefore he has the floor. If the hon. member for Laval-Two Mountains wishes to speak, and is not on the list, he should see the Clerk of the House.

Mr. LEADER: With the consent of the house I am willing to withdraw; otherwise I would lose my position.

Mr. SPEAKER: If the hon. member for Portage la Prairie does not speak now, he will lose his place.

Mr. LEADER: Then I shall proceed.

Mr. LACOMBE: I rise to a point of order. The standing orders of the House of Commons mention nothing about the whips of the Liberal and Conservative parties. What authority have they in the house, concerning the list of speakers?

Mr. SPEAKER: Order.

Mr. LACOMBE: I want to have a decision on this question, because the standing orders do not mention the whips of any party.

Mr. SPEAKER: That is not a point of order. The hon. member for Portage la Prairie will continue.

Mr. LEADER: Mr. Speaker, I believe my years of experience on the farm, and my years of operating an elevator and as a grain buyer give me licence to speak on legislation of this kind. I feel inwardly gratified that my decision many years ago when I entered public life was that I would be more or less independent. After listening to some of the discussions I have heard in recent days I am thankful I made that decision. Therefore if, when speaking this afternoon, I say some things which may seem painful, I believe such statements necessary, and from my point of view I shall have to make them, no matter what party they may hurt.

May I say that I believe the hon. member for Weyburn (Mr. Douglas) would be well advised if he were to withdraw his amendment. In my opinion it is a futile gesture, if I may use that expression, and I suspect there is a little politics in it. Mr. Speaker, I absolutely refuse to play politics. If the hon. member will withdraw his amendment and allow the bill to go to the committee to which the other wheat bills have gone, I will promise him that in that committee I will fight along with him for what he is asking. For three or four years we have been criticizing the Minister of Agriculture (Mr. Gardiner) for not submitting legislation of this kind to the inspection of the committee on agriculture. Now that we have got the minister to the point where he is willing to have the bills submitted to our scrutiny, let us jump at the chance to do so. Then, if we do not like what is done in committee we shall have our chance later in the house to express our opinions. My suggestion therefore would be that the hon. member withdraw his amendment, and I believe when the bill is given third reading we shall reach the same conclusion.

I should like to deal first with a matter which to my mind is serious. I refer to the statement of the hon. member for Wood Mountain (Mr. Donnelly) that the Saskatchewan wheat pools had made dividends amounting to $3,000,000. He called it high finance, and added, "Remember, this is a

cooperative company, and they do not pay any income tax." In my opinion that is a serious statement. The hon. member is not the first Liberal member I have heard express similar sentiments, and I wish to say now that if that is ever the policy of the Liberal party, do not expect to find me with that party.

I am a cooperator, and I belong to the Manitoba cooperative. In the dividends we are now earning we are just getting back the money we put into the stock of an institution which it was thought would help us in our farming, and lower our cost of production. Every dollar that was collected was deducted from some man's load of wheat. When he sold a carload of wheat, perhaps fifty dollars was deducted—which he otherwise would have had in his pocket—in order to build up a reserve to build an elevator. Now, when these men have reached the point where they are making dividends and there is a chance for them to get some of their original capital back, the suggestion is made that we tax these dividends. I do not think that would be right.

Mr. HANSON (York-Sunbury): That is not the suggestion.

Mr. LEADER: Absolutely.

Mr. HANSON (York-Sunbury): The suggestion was—

Mr. LEADER: Please, I would like not to have any interjections unless absolutely necessary. When the hon. member for Wood Mountain takes the stand that he is in favour of a reduction in elevator charges, I am with him. He is on solid ground there. The elevator charges are absolutely too high, and both he and I have been fighting those high charges for years. I have stood in this house, Mr. Speaker, session after session and pointed out—it might have seemed small but the principle was there just the same—that when we sell a carload of wheat containing 1,500 bushels we pay a service charge of $15, or 1 cent a bushel. When we sell a carload of barley, containing the same number of pounds, we pay the commission man $18.75. Is that fair? Anyone to whom I have spoken admits that it is not fair, but I never have heard any member of this house representing a farming district or any other district back me up when I made that plea. The barley industry is becoming more important every year, especially at this time. We may produce 200 million bushels of barley next year, and I believe the government would be well advised to have that commission charge—service charge is the technical name for it—reduced to half a cent a bushel. It is not the first time that I have offered this suggestion and I am offering it again now.

The grain exchange sets the tariff for the commission charges. I have taken this matter up with the grain exchange. They say that the service charge on barley is a reasonable charge, and they absolutely refuse to change it. I have taken the matter up with the government. I can remember that a few years ago legislation went through this house to appoint a supervisor for the grain exchange with power to compel the brokers to produce their books for inspection. The bill went over to the other house and was there so amended that it took away the right of the supervisor to scrutinize the brokers' figures. That emasculated the bill entirely, and I do not think a supervisor of the grain exchange has ever been appointed. Even if he were, he would have absolutely no power under that legislation. Why should an institution like the grain exchange be able to set their own tariffs and be able to charge $3.75 more for one car than they charge for another containing the same number of pounds? I say it is time the government stepped in and showed them the rules.

The hon. member for Wood Mountain referred to an article which he saw in a financial paper. I have it here, and I think I should read it and put it on the records of this house. It is an editorial in the *Financial Post* of February 14, 1942, and says:

> Saskatchewan wheat pool profits last year amounted to almost $3 millions after the usual depreciation. Had the pool been an ordinary private grain company the public treasury would have been enriched to the extent of over $1·5 million in income and excess profit taxes. But being classed as a "cooperative", the pool paid exactly nothing.
>
> The prairie wheat pools are competing directly with private grain companies which must and do pay full national taxes. They are performing a service not one whit different from that of their competitors. Long before this the dominion Department of Finance should have stepped in, ended this absurd and unfair discrimination, and stopped a very substantial leakage in taxes.

That really is the serious part of the statement made by the hon. member for Wood Mountain. I am just a little nervous that the Minister of Finance (Mr. Ilsley) might endeavour to seek a new avenue whereby he would get some taxation. I do not think it would be fair to go to this source.

Mr. DONNELLY: They have to pay income tax.

Mr. LEADER: I am very glad to see my hon. friend back in the house. I missed him from his usual front seat. No; we should not

have to pay taxes because we are only getting our own money back. The hon. member for Wood Mountain also said that he belonged to the pool.

Mr. DONNELLY: Sure.

Mr. LEADER: Oh, what loyalty!

Mr. DONNELLY: I shall have to tell you something about it.

Mr. LEADER: I have heard of people damning an institution with faint praise, but a man who belongs to an institution and then gives to the house the information the hon. member for Wood Mountain gave the other day—I say that is not loyalty.

I am in favour of $1 a bushel being paid for our wheat. That is nothing new for me; I advocated it here in a speech I made in the house last fall, on November 19, 1941. At that time I believed we could pay $1 a bushel and limit the deliveries to any quantity which the government thought it could sell—if not 230 million bushels, limit it to 200 million bushels. That factor could be absolutely controlled. The bonus I did not like then; I do not like it now and perhaps never will. I must qualify that because I think the Prairie Farm Assistance Act does act as a crop insurance policy, and the other act, the Prairie Farm Rehabilitation Act, has the effect of conserving the fertility of the soil. I think there is some merit in both those acts. But the wheat acreage reduction bonus, and the from income bonus, which was the best of them all, would have been unnecessary if the farmers had received a high enough price for their wheat. Then we could have done without them.

The farmers want legislation that they can understand, and I think the Minister of Agriculture will agree with me when I say that they do not understand this legislation. The minister understands it, but I must confess that I do not.

In my part of the country the farmers do not want this bonus plan. I make that statement positively, believing that I am stating the absolute truth. But they took advantage of it—I am talking of the wheat acreage reduction bonus—in order to get some income which was denied them because the price of wheat was too low. But it upset their whole routine, and they turned all sorts of corners in order to get a little summer-fallowing in here, put barley in there, and so on.

I have a letter here which expresses the mind, I think, of most of the people in my district. This gentleman is of Liberal stock, a very open-minded man. In fact he was a candidate in the last provincial election. He is a man of good intelligence, and since the intelligence of my constituency is fairly high, I think it well worthwhile for me to read part of his letter. First he expresses his opinion that the initial price should be $1 a bushel. Then he goes on to say:

> Of course I won't be greatly surprised at a guaranteed price of less than $1. What I really expect is some complicated plan that no one can thoroughly understand until it is too late to do anything about it.

That is typical of the opinion of the farmers in my district. I have stated that I do not like the bonus. I think that one of the worst features of the bonus is its inequality. Fifty per cent of the farmers of Manitoba sow less than fifty acres of wheat. The figures I quote are based on the 1935 census. I tried to get them up to date, but the bureau does not have them. I believe that in Alberta the percentage is forty-two per cent. Even in Saskatchewan, twenty-five per cent of the farmers sow less than fifty acres of wheat. There were 187,000 farmers in the western provinces, including, I assume, the Peace River district, who made application for the wheat reduction bonus. I asked the minister a question on this point during his speech, when he said he would rather not be interrupted; in any event he did not answer. I just wished to know how many farmers there are in the three prairie provinces. I have since ascertained from one of his officials, although this is only an estimate, that there are 290,000. And 187,000 made application! This means that 103,000 farmers in that western country did not get any of this wheat reduction bonus.

Mr. GARDINER: Many of that number are market gardeners.

Mr. LEADER: Many of them are very small farmers. Then the man who did not produce wheat in 1939 and 1940 was out of the picture altogether. We have in Manitoba lots of men who have not been growing wheat for five or six years.

Mr. GARDINER: There are also the ranchers.

Mr. LEADER: There was no chance for these men to share in the wheat bonus. So you get back to the principle that if you pay the higher price for a limited number of bushels you are going to benefit them all—the big farmer as well as the smaller farmer.

We heard rumours that the Liberals from Saskatchewan, headed by our Minister of Agriculture, put up a tremendous fight to have the government recognize this increase in prices and the continuance of the minister's programme. I think they did pretty well. I believe that every Liberal member from Saskatchewan would put up the best fight he

knew how; and, knowing the Minister of Agriculture as I do, I am confident that he also would put forth his very best efforts. But I wonder where were the Liberals from Alberta?

Mr. JOHNSTON (Bow River): Hear, hear.

Mr. LEADER: I wonder where the Liberal members from my own province of Manitoba were?

Mr. JOHNSTON (Bow River): Page them.

Mr. MacKINNON (Edmonton West): I can tell the hon. member where the Liberals of Alberta were.

Mr. LEADER: These are rumours. I am asking the question, if the Liberal members from Alberta were there.

Mr. MacKINNON (Edmonton West): Not at that meeting.

Mr. LEADER: Not at this meeting that I am talking about? Well, then, were the Liberal members from Manitoba there? I was not there. I would have been delighted to be there upholding their hands and battling at their side. Perhaps, if the Liberal members from Manitoba and from Alberta had been there, we would have got $1 wheat. We should have been there.

Mr. CASTLEDEN: That is right.

Mr. DOUGLAS (Weyburn): You should all have been there.

Mr. LEADER: It was understood that our Liberal members from Manitoba were going to get together with the Liberal members from the other two provinces and see what could be done.

Mr. PERLEY: All hon. members should have been there.

Mr. LEADER: I agree with the leader of the opposition (Mr. Hanson); all the western members should have been there, and all hon. members who were interested. But did the leader of the opposition practise what he preaches? I don't think he ever did. I as an independent member can make these statements, believing that we should get what we are entitled to.

Mr. HANSON (York-Sunbury): It was the hon. member for Qu'Appelle (Mr. Perley) who made that observation. I agree with him.

Mr. JOHNSTON (Bow River): Was the grain exchange represented there?

Mr. LEADER: The government policy is reasonably good. But I do not think they should take all the credit. There is a war on, and that has something to do, it seems to me, with the increased prices which agriculturists are getting. I say that without wishing to detract one iota from the effort of the government; in some respects I think it has been very good. Now they are granting us 90 cents a bushel for wheat, and, according to the Minister of Agriculture's own figures, that is 57 cents a bushel less than parity price based on the period 1926-29. The barley price on the same basis was 73 cents, and the government is setting a floor price at 60 cents, which means that it is 13 cents less than the parity price of 1926-29. For oats the parity price was 59 cents, and the government is putting a floor price of 45 cents, leaving 14 cents of a spread between the parity price and the government price. The floor prices for the coarse grains, are, of course, a consideration; they really do mean something.

Here is where I am going to say something which may be painful but is, I believe, necessary. The difficulty with regard to Manitoba is that our leader is apparently more interested in the grain trade than in the welfare of our farmers. I am very sorry that the Minister of Mines and Resources (Mr. Crerar) is not in his seat. I know him better, perhaps, than any other man in this house.

Mr. MacKINNON (Edmonton West): He is ill this afternoon.

Mr. LEADER: I am sorry that that is so, but it is not my fault; whether he is here or whether he is not, I intend to make this statement. I am not actuated by any political motives; I am actuated by the desire to serve my people; and when I look over the years during which the minister has sat in this house and review the attitude he has taken on the grain question, I believe that what I have to say to-day should have been said before. When you make a charge you should be able to substantiate it; that is why I used the word "apparently". I am now going to define my meaning.

When the grain act was being revised, in 1925, the present Minister of Mines and Resources was definitely behind the practice of mixing our wheat. I have not time to go into that, but to me the picture is so familiar that I can almost see the old house as it stood, and hear the discussion which took place at that time. He was absolutely behind the mixing of wheat. He turned round to the other Progressive members and said, "I am sorry I must appear at variance with my colleagues from western Canada, but they do not represent the opinion of western Canada".

There we had the spectacle of our farm leader voting by himself, while all the other Progressive members supported the proposal for the non-mixing of wheat.

Again, he was mainly responsible for the taking away of the right of the farmer to name the terminal of his choice. I do not want to go at length into that, but he was the one man who took away that right from the farmer. He declared at that time, that technically it was not a right, but it was the system which we were working under, an actual right we enjoyed, whether we had the legal right or not. He made it absolutely sure that we could not designate our own terminal elevator unless we released the country elevator from the loss which might be sustained if they shipped the carload of wheat to any other terminal. He had his eye at that very time on the pool elevators, especially the one at the head of the lakes. In recent legislation he has invariably spoken in defence of the grain trade.

I have on this note of mine the pages where this information will be found in *Hansard*. It will be found on page 2537 of *Hansard* of 1940. We all remember—those of us who were here in 1939—when Mr. Motherwell named him as the opponent of the wheat board. Then he went to Great Britain and returned with the advice that Britain wanted the grain exchange to function. He was interested in the grain exchange, notwithstanding the fact that the market was closed in Britain and they had sent an agent, and all that they purchased was purchased through that agency. Yet he came back saying that the old country wished the grain exchange to be kept open in Winnipeg to set the price of wheat. He opposed the government in the policy of making an advance on farmer-held grain. We know that he said in this house, when asked by some hon. members whether he was in favour, "If you ask me, it is only moonshine." The Minister of Agriculture knows whether I am right in saying that he went with him to Winnipeg to represent the government, to confer with him on the wheat board, to see whether an advance would be made to farmer-stored wheat, and the decision was made that no government advance would be given.

Mr. GARDINER: No; he was not sent with me.

Mr. LEADER: He was there at your meeting.

Mr. GARDINER: He was in Winnipeg and I came from Regina.

Mr. LEADER: It was quite a coincidence. Why split hairs?

[Mr. Leader.]

Mr. GARDINER: We were both there on the invitation of the premier of Manitoba. There was no arrangement at all other than that.

Mr. LEADER: Will the Minister of Agriculture say he is jointly responsible?

Mr. GARDINER: I will say, Mr. Speaker, that I was largely responsible for the decision which was made at that meeting as far as the government is concerned.

Mr. LEADER: Then I will include the Minister of Agriculture in this latter charge.

Mr. GARDINER: I still think I was right.

Mr. LEADER: What a different policy from what is taking place now in the United States! I have here a letter—I shall not have time to read it—from a man in charge there who tells me that the policy of granting advances to farmers in the United States is this, that they store their grain in a granary after meeting the specifications of the government inspector, and that it has had the effect of building many thousands of granaries throughout that country. That is where we want our wheat held—on the farms and not in the elevator, costing us $50,000,000 a year.

Mr. GARDINER: By far the greater part of that wheat in the United States is in elevators and not on farms.

Mr. LEADER: I hope, Mr. Speaker, you are keeping track of the time I am losing. Further, the Minister of Mines and Resources declared that the present tariffs were fair to the elevator companies in the face of the demand for lower storage charges. What does the hon. member for Wood Mountain think of that? You will find it at page 2379 of *Hansard* of 1940. The minister was never friendly to the wheat pool! If you want that information look at page 2268 of *Hansard* of 1940 and page 2272 of the same year.

Let me now say something about the delegation which presented the brief here in Ottawa. In the first place, I wish to congratulate the people of Saskatchewan upon sending that delegation to Ottawa. They got subscriptions from 185,000 signers and the expenses were paid out of the joint collection of 24 cents from each individual signer. That is how it was paid. Their journey to Ottawa, however, was ridiculed by the Minister of Agriculture, who asked, where will they get the money? It was condemned by many of our papers also. But after they came here and presented their brief they were commended by the minister and by the press in general. They made what they thought and what we all thought was a very favourable

impression. The minister himself has told us that it was not a delegation of farmers, that they were reeves of municipalities and mayors of cities. I say it was a delegation representative of the whole of Saskatchewan. After their brief was presented the government promised them consideration. This is what they asked for: The delegation's proposal was that they be paid $1 a bushel initial price for what quantity of wheat the government thought they could take, and that was 41 cents, or, to be exact, 41·7 cents, below the parity price of 1926 and 1929.

Was that not a reasonable request? Do you not think it was a generous compromise? I do. Then they favoured restricted deliveries and said that those surpluses which could not be purchased should be taken care of by the farmers back on their farms. The policy of this government should be to encourage that, because there is nothing that will convince the farmer more than, when he sees his bin full of wheat which he cannot sell, to be told that he should grow something else besides wheat; and you would relieve the taxpayers of the country by not paying storage charges. I am not advocating storage for the farmer. Let him build his own granary to store his wheat, and when it is wanted he can take out the wheat and sell it. If he cannot sell it he will not grow wheat, and that is very good logic.

This higher price of $1 a bushel will not increase the production of wheat. That is a fallacy. You have all the machinery in your hands to control that. Do you think the farmer is crazy enough to grow something he cannot sell? He is not going to grow it.

I come now to the presentation of the farm organization, which represented the whole of the dominion, and in that connection I wish to read this paragraph of their brief:

> The general nature of our organization is, of course, known to you. We have made substantial progress during the last year in the consolidation of our provincial units and we now have an affiliated membership of more than 350,000 farmers.

It is growing. We are growing. We shall get to the point where we shall have double 350,000 presenting briefs, and they will be listened to. They listened in this case—I am giving credit for that. They said that their first consideration, their paramount duty, was to use all their efforts in the prosecution of the war, and then, speaking for the whole of the dominion, they said that they would like to have a voice in formulating the farm policies of Canada. That should be appreciated by the government, and I believe it is. May I quote the following:

> All of the member bodies of this federation from western Canada are on record to the effect that the basic price for the coming year should be not less than $1 per bushel basis No. 1 northern at lakehead or seaboard terminals. This represents widespread opinion in western Canada and further evidence will be given in the presentation by the delegation from the province of Saskatchewan which is to meet the government this afternoon. We can assure the government that opinion in Manitoba and in Alberta is equally strong and that such a request has also the support of the agricultural interests in other parts of Canada represented by this association.

I believe the government of Saskatchewan endorsed their representations in toto. There, Mr. Speaker, you have the representations as made by the organized farmers of this dominion.

One of the mistakes made last year in the submission to the Minister of Agriculture by the organized farmers of Canada was that they did not propose a definite price. It was generally agreed that the price should be 85 cents, but they did not state that in their presentation. The Minister of Agriculture, taking advantage of that, made a statement which is found on page 1923 of *Hansard* for March 27, 1941. He said:

> The fact that neither the Saskatchewan pool in its recommendations, nor the advisory committee in its recommendations, nor the Canadian agricultural federation in its recommendations, was able to insert a price, I think clearly indicates that, while there may have been some sentiment in these organizations in favour of changing the advance provided for in the wheat board act, there was considerable sentiment against it.

I submit to the minister that they certainly have asked a definite price this year. They profited by the mistake they made last year. They have asked for a dollar a bushel initial price at the lake head, backed by the organized farmers of Canada, and I think they are entitled to it.

With the exception of the two acts which I mentioned previously, they are willing to forgo the wheat acreage reduction bonus and the farm income bonus if the government will raise the price to $1 a bushel. This would cost the taxpayers less than it would to pay these bonuses and 90 cents.

Mr. GARDINER: Plus what is required to bring it to parity.

Mr. LEADER: Why does the government not adopt the policy which would satisfy 90 per cent of the farmers of western Canada? Perhaps I am putting that too strongly—at any rate 90 per cent of the farmers of Manitoba.

Mr. GARDINER: The suggestion the hon. member is making is that the farmers asked

for only $1 a bushel. But in fact they asked for $1 a bushel plus enough to bring it up to parity. The comparison should be made between those two things.

Mr. LEADER: They are asking for $1 a bushel initial price. Why hedge it around with these other things? They do not like your bonuses.

Mr. GARDINER: Seven hundred in your municipality applied for them.

Mr. LEADER: They applied because they needed the money. It upset their whole farming routine. We should not do that.

Mr. RICKARD: Would they have got the money in any other way, except through the bonus?

Mr. LEADER: Yes. They were asking for 85-cent wheat last year; that would have provided about as much money as the bonuses. They do not like the bonus. They like the higher initial payment.

It has been said in western Canada that it is because of opposition from Ontario and other parts of eastern Canada that it was not granted. I do not believe it. If the government would come out boldly for a policy of $1 a bushel, those hon. members would be found supporting us. I asked an hon. member from Ontario who was here a moment ago what he got for his wheat in Ontario this year. He said $1.05 at the barn. We have to haul our wheat to the elevator as well as pay the charges. I know that Canadians are willing to grant justice to other parts of Canada. I do not believe that Ontario is opposed to a higher initial price.

Let me quote from a dispatch from Regina of April 9, 1941. It is headed:

Taggart says Eastern Opinion Influenced Government Wheat Policy.

The dispatch reads:

Widespread belief in eastern Canada that the west was determined to "get all we can from the government and pay nothing back" had a definite effect in determining the 1941 wheat policy of the federal government, declared Hon. J. G. Taggart, Saskatchewan Minister of Agriculture, yesterday.

I do not believe that is true. You can hardly speak to a man on the streets of Ottawa who has not a son or a nephew or an uncle or a daughter in western Canada. They are our own people.

Mr. FURNISS: Does the hon. member know what he could get for wheat in Manitoba by feeding it to hogs, as we do in Ontario?

Mr. LEADER: The experience of one of the best feeders we have in Manitoba is that he can get $1 a bushel for wheat by feeding it to hogs.

[Mr. Gardiner.]

Mr. FURNISS: Yes, at his farm. That is right.

Mr. LEADER: But you cannot feed to hogs all the wheat that is grown in western Canada.

Mr. DOUGLAS (Weyburn): How many hogs would you have if you fed all the western wheat crop to hogs?

Mr. LEADER: I believe my time has expired—

Some hon. MEMBERS: Go on.

Mr. LEADER: No, thank you; I do not think I should continue. I have said enough to indicate my position and what I shall do in regard to this legislation when it comes before the house for third reading. I am not particular as to whether I vote for the amendment or against it. I still believe it would be wise to withdraw it. I believe it is a futile gesture, and that it smacks of politics, if that is a proper word.

Mr. DOUGLAS (Weyburn): That is not fair.

Mr. LEADER: Perhaps it is not, but I have that suspicion, and feeling as I do I cannot vote for the amendment. It really does not make any difference. But I shall be here with both feet if we do not get that $1 a bushel which was asked by these farm organizations and will vote against the government on third reading. I am not going to fail these organizations. That is where they get their bread and butter. The loyalty I owe is not to any political party; it is to the people on the farms, both east and west, whom I represent in this house. I represent not only the constituency of Portage la Prairie in Manitoba, but in this particular case I represent the agriculturists of western Canada.

Mr. LACOMBE: Mr. Speaker—

Mr. MARSHALL: Mr. Speaker—

Mr. SPEAKER: The hon. member for Camrose.

Mr. LACOMBE: I rise to a point of order. Standing order 35 provides:

When two or more members rise to speak, Mr. Speaker calls upon the member who first rose in his place; but a motion may be made that any member who has risen "be now heard", or "do now speak", which motion shall be forthwith put without debate.

I submit respectfully that I rose from my seat three times this afternoon and according to the rules of the house I must have the floor.

Mr. SPEAKER: It is true that the hon. member did rise, but he knows that I have a list of the members who it has been arranged

should speak to-day, and who are all present. I saw the hon. member for Camrose (Mr. Marshall) when he rose in his place to take the floor, and he now has the floor. If the hon. member is dissatisfied he has the right under the rule he has just cited—or someone may do it for him—to move that he be now heard. If any hon. member rises in his place and requests that the hon. member be now heard, I shall put it to the house and the house will then decide who shall speak. The hon. member for Camrose has the floor.

Mr. LACOMBE: I rise to another point of order. Nothing in the standing orders of the house mentions the lists of the whips of any party. It is absolutely against the rules of the house to follow those lists. I stand upon these regulations and ask that I be allowed to speak.

Mr. MACKENZIE (Vancouver Centre): On the point of order raised by the hon. member, the rule has been established for many years that the Speaker sees a certain hon. member in debate; and frequently in the British House of Commons some members wait for weeks before they get the privilege of taking part in the debate. It is not at all a matter of the whips' lists, but in order to expedite the work of the house some arrangement must be made between those responsible for the conduct of the house. The Speaker has the right to see any hon. member he chooses to see; that has been part of our system for centuries.

Mr. HANSON (York-Sunbury): What has been said by the Minister of Pensions and National Health (Mr. Mackenzie) is in accordance with the practice of this house, and I do not see how we could very well depart from it as a general principle, for the reasons which have been stated. On the other hand, however, there should be a sense of fairness in regard to this matter. If the whips choose to make up lists—which of course are not official in any way—and hand them to the Speaker, who follows the lists and sees only those whose names are contained therein, I could conceive of a situation where an hon. member might never be heard, and of course that would be a denial of justice.

Mr. MACKENZIE (Vancouver Centre): That has never happened in this house.

Mr. HANSON (York-Sunbury): Well, we had the inception of it right here this afternoon. I hold no brief for the hon. member who is endeavouring to catch the eye of the Speaker, but I have an innate sense of justice which tells me that this is not exactly right. It is near the end of the afternoon, of course, and in a few moments we are going to adjourn. I do suggest that some arrangement be made by the whips—and this may be a means of expediting it—whereby the hon. member may be able to express his views on the floor of this house in regard to the question now before us.

Mr. MACKENZIE (Vancouver Centre): May I point out to my hon. friend that the hon. member already has been told that he can speak in this debate on Monday.

Mr. HANSON (York-Sunbury): I had not been told that. I do not know why he did not agree to that arrangement.

Mr. SPEAKER: The hon. member for Laval-Two Mountains (Mr. Lacombe) knows the rules of the house, I am sure. With what has been said by the leader of the opposition (Mr. Hanson) I am entirely in agreement. I want to see that every hon. member has the opportunity to speak, as he is entitled to do; but I do think the Chair should not be placed in the position of having to discriminate between hon. members on both sides of the house. With the present composition of the house I should be bound to make mistakes and to discriminate unfairly. The rules provide, however, that if the hon. member is dissatisfied he may, through some other hon. member, ask that he be heard. If that is done I will put it to the house, which will judge as to who should be heard. In this instance no one has asked that the hon. member for Laval-Two Mountains be heard; therefore the hon. member for Camrose has the floor.

Mr. LACOMBE: Then, following the remarks of the leader of the opposition, I ask the Chair to give me the floor.

Mr. SPEAKER: The hon. member must understand that I have already given my ruling. The standing order is there; it can be taken advantage of by the hon. member. As soon as that is done it will be brought before the house, and the house will decide as to who is to speak. In this case no such request has been made to the Chair; therefore I have seen the hon. member for Camrose, who now has the floor.

Mr. LACOMBE: Mr. Speaker, I appeal from your decision.

Mr. MARSHALL: Mr. Speaker—

Mr. LACOMBE: Mr. Speaker, I have said that I appeal from your decision.

Mr. SPEAKER: No one has stood up. Five members must rise, and no one has risen except the hon. member himself. The hon. member for Camrose will now proceed.

Mr. J. A. MARSHALL (Camrose): First I should like to pay my humble respects to the hon. member for Portage la Prairie (Mr. Leader) for the fine courage he displayed this afternoon in championing the cause of the farmer. His splendid exposition was commendable. One thing he does not lack is courage.

I have a little problem, Mr. Speaker, which I should like to share with you. If an Irishman speaks on Bill No. 13 on Friday, March 13, at 5.45 o'clock, does it bode ill for the bill or for the Irishman? I think in checking the time, and considering the difficulty I have experienced in getting the floor, that the Irishman has lost the first round.

When I last spoke in this house, on Bill No. 5, I emphasized the importance of having an objective or goal toward which we must strive with persistence and courage. The solution of the difficulties of agriculture is as vital to Canada as the placing of returned men in industrial positions at the conclusion of this war or an increase in the pensions given to old age pensioners. We must assess correctly the problems of agriculture; for until we do their solution is impossible. Over four hundred people, representing all shades of public opinion and all classes of society, travelled from Saskatchewan to Ottawa a short time ago to present a petition at the seat of government. This petition, signed by over 180,000 people, proposed a new deal for agriculture. It is not my intention to discuss the petition, but similar proposals were advanced by the legislatures of the three western provinces, Alberta, Saskatchewan and Manitoba, as well as by all sorts of farm organizations such as the National Council of Agriculture, the United Farmers of Alberta, the United Farmers of Canada, various grain companies, many boards of trade and chambers of commerce. Still the wishes of these various bodies and of such a vast number of people engaged in all kinds of agriculture in western Canada have been thwarted. Let me hasten to state that I do not altogether blame the Minister of Agriculture (Mr. Gardiner) for the mess agriculture is in to-day, nor do I absolve him entirely from all responsibility; for after all, he must assume some of that responsibility. Cabinet ministers as a general rule do not frame policies; they are too busy. Policies are framed by the real rulers of this country, the bureaucrats. These bureaucrats are the people who formulate the plans, who draw up the policies, and who submit these plans and policies together with recommendations to the minister. We never get to know very much about these same bureaucrats, because they assume no responsibility; they are never dismissed from office. If their plans turn out to be worthless they are not even admonished.

[Mr. Speaker.]

As I have said before in the house, and as I shall say on many future occasions, these individuals have power but they have no responsibility. They have one eye firmly fixed on the Department of Finance and the other eye on the job they have in hand. They are constantly hedged in by financial restriction. And I say this, Mr. Speaker, that if you are looking for the real saboteurs of agriculture to-day you will find them not in the Department of Agriculture but rather in the Department of Finance. These bureaucrats have not yet given heed to the Minister of Finance who has uttered the words, "What is physically possible shall be made financially possible". This expression, by the way, which we have heard so often, and which has been adopted by the Minister of Finance, was pirated from Major Douglas, the founder of the social credit philosophy.

I believe we are going about this whole problem in the wrong way. We farmers have not yet decided what our objective or our goal should be, and we are suggesting to the government methods whereby some goal might be attained concerning which we as individuals have not yet reached a decision. I say therefore that we must first decide what we want, and then leave the government free to perfect the plan which will make our suggestions capable of accomplishment. Farmers not only in western Canada but in eastern Canada are, in my opinion, faced with two problems; first, debt and its twin evil, taxation, and, second, the exhaustion of the fertility of the soil.

With respect to number one I am not going to say very much. Through a series of crop failures, combined with persistent low prices, in the last ten years farmers have gone further and further into debt. Taxes have steadily mounted, and this has been brought about because municipalities—and I know whereof I speak—have been compelled to accept responsibility for many new things, such as indigent relief, mothers' allowances, old age pensions, hospitalization and the payment of doctors' bills.

With regard to the second problem, namely, the exhaustion of the fertility of the soil, I would say that under present conditions, by ignorant or unscrupulous exploitation and exhaustion of fertility vast profits have been made by financial interests—not by the farmers—in the name of cheap food. The chief characteristic of real farming is that it is a way of life rather than a business. I would therefore say that the goal toward

which all organizations connected with agriculture should steadfastly strive are these: (1) a complete solution of the debt problem and its twin evil, taxation, and (2) the restoration of agriculture to its proper function, namely, a way of life rather than a profitable or unprofitable industry.

On motion of Mr. Marshall the debate was adjourned.

On motion of Mr. Mackenzie (Vancouver Centre) the house adjourned at six p.m.

Monday, March 16, 1942

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

RENTAL OF BUILDINGS IN SAINT JOHN, N.B.

Mr. HAZEN:

1. How much of the building, number 80 Prince William street, Saint John, New Brunswick, is rented to the unemployment insurance commission?
2. From whom was it rented?
3. When was it rented?
4. For what length of time?
5. What rent is paid?
6. Were the costs of renovating the premises paid for by the government?
7. If so, who made these renovations and what did they cost?

Mr. MICHAUD:

1. Space on first and second floors including part of mezzanine floor, having a total area of 2,600 square feet.

2. Mrs. Bertha Garson, Saint John, N.B.

3 and 4. Second floor space—five years from date of occupancy, namely September 22, 1941; first floor and mezzanine—five years from date of occupancy, namely October 28, 1941.

5. $2,600 per annum, lessor to pay taxes and water rates and provide heating, cleaning, janitor service and elevator service.

6 and 7. The alterations and changes were made by the owner at a cost of $4,129.21, of which the owner paid $2,522.63 and the government $1,606.58.

PRICE CEILING—FRUIT JUICES

Mr. LOCKHART:

1. Are any rebates or other payments in connection with price levels being paid to importers of pineapple and grapefruit juices?
2. If so, on what basis are such payments made?
3. What amount has been paid to date to each importer?

Mr. ILSLEY:

1. Imported pineapple and grape fruit juices are eligible for subsidy, but no claims have been received in respect to pineapple juice.

2. Grapefruit juice is eligible for subsidy on the following basis:

20-oz. tins unsweetened, to the extent laid-down cost exceeds $1.03 per dozen, maximum subsidy 20 cents per dozen.

20-oz. tins sweetened, to the extent laid-down cost exceeds $1.06 per dozen, maximum subsidy 20 cents per dozen.

48-oz. tins unsweetened, to the extent that the laid-down cost exceeds $2.23 per dozen, maximum subsidy 50 cents per dozen.

48-oz. tins sweetened, to the extent that the laid-down cost exceeds $2.34 per dozen, maximum subsidy 50 cents per dozen.

3. Total subsidy payments in respect to grapefruit juice to March 6, 1942 inclusive amount to $11,842.65. It is not in the public interest to indicate the amounts paid to individual importers.

BUILDING OF CARGO VESSELS

Mr. NOSEWORTHY:

1. What is Canada's programme for the building of cargo vessels?
2. What department of the Canadian government is responsible for the direction of this programme?
3. Are any steps being taken by the government to investigate the possibility of reducing ship losses, either by increasing the speed, or by changing the structure of the ship, or by equipping them with heavier guns?

Mr. HOWE:

1. Canada's cargo shipbuilding programme utilizes the complete facilities of thirteen shipbuilding yards now operating or preparing to operate.

The types of ships being built are those chosen by the British Admiralty and the British Ministry of War Transport, as being the most suitable for building and operating under war conditions, consistent with the chief objective of procuring the largest number of ships in the shortest possible time.

2. The direction and the policy of the programme is under the Department of Munitions and Supply.

3. All specifications and measures affecting the speed or the defence of the ships are being taken according to recommendations and suggestions made by the British Admiralty and the British Ministry of War Transport.

DAYLIGHT SAVING

Mr. ROSS (St. Paul's):

1. Have any municipalities in Canada refused to comply with the government order to advance the time one hour?

2. If so, what municipalities and for what reason?
3. What steps are being taken by the government to have the order enforced?

Mr. McLARTY:

1. No information.
2 and 3. Answered by number 1.

WESTERN FARMERS—MACHINE COMPANY CREDITORS

Mr. BLACKMORE:

What measures, if any, has the dominion government taken to protect more or less impoverished farmers of the three prairie provinces from creditor machine companies, threatening to repossess or sue?

Mr. ILSLEY: This matter is primarily one that comes under the jurisdiction of the various provincial governments. However, the Farmers' Creditors Arrangement Act, which is in operation in the provinces of Alberta and Saskatchewan, provides means whereby farmers in certain circumstances may make adjustments with their creditors.

WHEAT ACREAGE, 1941—FARM UNITS OF 320 ACRES OR LESS

Mr. PURDY:

What percentage of wheat acreage under crop in 1941 in the three western provinces was represented by the self-contained farm units of 320 acres or less?

Mr. MacKINNON (Edmonton West): Information not available at the present time. Compilation of the agricultural statistics, as taken in the 1941 census, not sufficiently advanced to obtain this information.

S. V. EASTLAND

Mr. KIRK:

1. Is Mr. S. V. Eastland in the employ of the wartime prices and trade board or other government service, at Winnipeg, Manitoba?
2. If so, on whose recommendation was he so employed?
3. Were the provisions of P.C. 4759 followed?
4. If not, by what authority is he so employed?

Mr. HOWE:

1. S. V. Eastland is an employee of the Department of Munitions and Supply, Regional Office, Oil Controller, Winnipeg, Manitoba.
2. On the recommendation of the Regional Office manager of the Oil Controller at Winnipeg, Manitoba. This was approved by the Civil Service Commission.
3. Yes.
4. Answered by question 3.

WOMEN IN WAR INDUSTRIES

Mr. LACOMBE:

1. Are any women employed at night in any of the war industries of Canada?
2. If so, will the practice be continued?

[Mr. Douglas G. Ross]

Mr. McLARTY: Many of the plants engaged in war work in which women are employed in suitable occupations, are operated during the night and this practice will be continued while the emergent need for the rapid production of munitions of war continues.

Legislation controlling employment of women at night is within the jurisdiction of the provincial governments and in those provinces where legislation exists restricting employment of women at night, it is the understanding of the Department of Labour that permits have been issued by the provinces, subject to prescribed conditions to meet special circumstances.

PRISONERS OF WAR IN JAPAN

Mr. REID:

Is Japan a signatory to the international agreement or to any agreement with any other nation in regard to the treatment of prisoners of war?

Mr. MACKENZIE KING: Japan is a signatory to but did not ratify the international convention relative to the treatment of prisoners of war concluded at Geneva on July 27, 1929.

On being advised that the United Kingdom, Canada, Australia and New Zealand are observing the provisions of that convention so far as concerns Japan, the Japanese government replied that while not bound by the convention they will apply its provisions to civil as well as to military prisoners from the United Kingdom, Canada, Australia, New Zealand and India.

The government has no information of any other agreements with other nations signed by Japan concerning the treatment of prisoners of war.

SINCLAIR BALFOUR

Mr. TUSTIN:

1. Is Mr. Sinclair Balfour in the employ of the government at Barriefield or Vimy camp, Kingston?
2. If so, what are his duties?
3. What remuneration does he receive?
4. Does he receive a living allowance?
5. If so, how much?

Mr. RALSTON:

1. Yes, at Barriefield.
2. Special representative of the Master-General of the Ordnance.
3. None.
4 and 5. He is entitled under the terms of his appointment to a living allowance of $15 per day. To date no money has been drawn by or paid to Mr. Balfour.

EDUCATION OF SOLDIERS AFTER THE WAR

Mr. AYLESWORTH:

1. What action, if any, has been taken to finance education for soldiers after the war, who were in attendance at universities at the time of enlistment?

2. If such action has been taken, will it apply to an American national who was in attendance at a Canadian university at the time of his enlistment in the Canadian forces?

3. Will the answer to No. 2 be changed by the fact that the enlistment in the Canadian forces took place previous to the declaration of war by the United States of America?

Mr. MACKENZIE (Vancouver Centre):

1. Provision has been made to do this under authority of the post discharge reestablishment order, P.C. 7633, of October 1, 1941.

2. Yes.

3. No.

TIRE RATIONING—CLERGYMEN

Mr. HLYNKA:

1. Is special consideration being given by the rubber controller to place clergymen in the rural areas in a preferred class in the purchase of tires?

2. If not, will consideration be given to the placing of such persons in a preferred category?

Mr. HOWE:

1. Yes.

2. Answered by 1.

ENLISTMENT OF INDIANS

Mr. PERLEY:

What is the total number of Indians enlisted from each province, in the active forces, (a) army, (b) air force, (c) navy?

Mr. CRERAR: This information is not available through the Indian department; whether or not it is available in the Department of National Defence I am unable to say.

Mr. POWER: So far as air is concerned, it is certainly not available to us; they are not listed as Indians in the records.

Mr. RALSTON: That applies to the army as well.

Mr. PERLEY: I will frame the question in a different way and I shall probably be able to get the information I want.

Question dropped.

*ENLISTMENT CAMPAIGN

Mrs. NIELSEN:

What has the government done towards launching a nation-wide enlistment campaign in the weeks preceding the plebiscite and obtaining the fullest participation of all members of parliament in such a recruiting drive?

Mr. RALSTON: May I answer this question orally? It is not the intention, as I am at present advised, to launch what might be called a special campaign in the weeks preceding the plebiscite. I can say, however, that we have been and shall be carrying on a nation-wide enlistment campaign, to use the words of the question, continuously, day in and day out. The house will probably be interested to know, if I may put it on the record now, the response we have had to date this year. In January the recruiting figures for the army were, as I believe I told the house, about 11,700; in February, a short month, 8,152; and in March up to and including the 14th, 4,019 for a little less than half a month. Regarding the participation of members of parliament, I may say first that citizens' committees all over the country have been exceedingly helpful and are increasing their activities. As I have said to the house before, the work of getting men for the armed forces justifies the very best efforts of all of us and I wish to emphasize again what I consider to be the need for the fullest and most active participation of all members of parliament in that effort. I venture to think that it is one of the many duties that rest upon members of this house in connection with their responsibilities of leadership.

QUESTIONS PASSED AS ORDERS FOR RETURNS

ASSISTANCE TO WESTERN AGRICULTURE

Mr. PURDY:

1. What is the total amount owing by each of the three western provinces to the dominion government, including any amounts written off and any indirect liabilities by way of guarantees, etc.?

2. What payments have been made to each of the three western provinces by the federal government since 1930 in connection with unemployment relief and similar assistance, seed grain loans, etc.?

3. What has been the cost to the federal treasury of the Canadian Wheat Board Act since its inception, including estimated loss on stock on hand or committed for, based on the price of wheat at the present time?

4. What is the approximate aggregate amount paid by the federal treasury, including amounts accrued but not paid, from 1930 to date, for assistance to agriculture in the three western provinces?

ALCOHOL FROM CANADIAN WHEAT

Mr. SHAW:

1. Is the government at present carrying on any experiments with alcohol manufactured from Canadian wheat?

2. Has the government granted any financial assistance to any Canadian distiller to carry on experimental work in this connection?

3. If so, what amounts have been granted and to whom?

4. Have government tests been made of alcohol extracted from Canadian wheat, and what has been learned from such tests?

5. Has the government discovered any satisfactory method of blending this alcohol with other products, to be used as a substitute for gasoline?

LABOUR REPRESENTATIVES ON WAR BOARDS

Mrs. NIELSEN:

1. Were any labour representatives appointed to war boards before the Prime Minister's statement to the delegation from the Trades and Labour Congress of Canada on February 12, last?

2. If so, how many, what are their names and whom do they represent?

3. Have any such representatives been appointed to war boards since February 12, 1942?

4. If so, how many, what are their names and whom do they represent?

RAILWAY FREIGHT RATES

Mr. REID:

1. Has any application been made to the board of transport commissioners by either the Canadian Pacific Railway, the Canadian National Railways, or jointly on behalf of both railways, asking for a general increase in freight rates?

2. If so, has such application been considered by the board of transport commissioners?

3. What decision, if any, has been given in the matter?

4. Has the wartime prices and trade board any control or jurisdiction in the matter of railway freight rates?

5. If so, would any request by the railway companies for an increase of rates have to be granted or allowed by the wartime prices and trade board before being made effective, or would any order made to this effect by the board of transport commissioners supersede any authority of the wartime prices and trade board?

Mr. MICHAUD (for the Minister of Transport): Return tabled.

CANADIAN FORCES—HEADQUARTERS MOTOR VEHICLES

Mr. MacKENZIE (Lambton-Kent):

1. What is the number of station wagons and other motor vehicles used at Ottawa by the staffs, permanent or temporary, of (a) the army, (b) the air force, (c) the naval service?

2. What officers or group of officers on these respective staffs, or positions occupied by them, have been assigned or allotted passenger cars for their individual or collective use, or for carrying out duties connected with positions they occupy?

3. Are any such officers or group of officers permitted the use of passenger vehicles, (a) for the purpose of conveyance to and from work, (b) for other purposes not connected with the duties of the positions they occupy?

[Mr. Shaw.]

4. Is a record kept of the mileage of such vehicles for the purpose of checking against their use for other than official business?

5. Are all such vehicles driven by persons in uniform attached to any of the respective services, and do such drivers perform any other duties than those connected with the operation of the vehicles?

PURCHASE OF MEATS FOR QUEBEC TRAINING CAMPS

Mr. LACOMBE:

1. Did the government, during the months of October, November and December, 1941, purchase pork and bacon for the training camps at Valcartier, Joliette and St. Jerome?

2. If so, what quantity was purchased for each of these camps?

3. What prices were paid per pound at each of these camps?

4. Were the loins or fat parts of this pork consumed by the army?

5. If not, were they resold to any person?

6. To whom and at what price?

PIGGOT CONSTRUCTION COMPANY

Mr. NICHOLSON:

1. Have any contracts been awarded to the Piggot Construction Company of Hamilton, since the beginning of the war?

2. If so, how many and of what total value?

LABOUR CONDITIONS—CANADA BREAD COMPANY

Mr. SHAW:

1. Is the government aware that a strike of workers has taken place in the Montreal plant of the Canada Bread Company?

2. If so, what steps have been taken to date to settle such strike?

3. Have government contracts for the supplying of bread and pastry to Canadian military or air force establishments been given to the Canada Bread Company since September 1, 1941?

4. If so, upon what dates were such contracts given, for what quantities and at what prices?

5. Have complaints been registered with the wartime prices and trade board or any other department of the government by employees of the Canada Bread Company regarding hours of labour and rates of pay?

6. If so, when, and what action has been taken with regard to such complaints?

CAPITAL ASSISTANCE TO INDUSTRIES

Mr. HATFIELD:

1. Was capital assistance given by the government to (a) Chemical Construction Company, (b) Dominion Magnesium Company, (c) Welland Chemical Company, (d) Regina Industries Limited, (e) Standard Chemical Company, (f) Alberta Nitrogen Company?

2. If so, how much to each company?

3. What are the names of the officers and directors of these companies and what is their business experience?

PRODUCTION OF MUNITIONS ON COST-PLUS BASIS

Mr. NOSEWORTHY:

1. When a firm is permitted to manufacture munitions on a cost-plus basis, is an experienced production analyst assigned to report on the

day-by-day functioning of the workers and executives of such firm throughout the whole of the cost-determining period?

2. If no analyst has been present in the plant, is mere inspection of the manufacturer's records accepted as a sound basis for determining payment?

3. Where several manufacturers are producing munitions on a cost-plus basis and the records of one firm are compared with those of another in arriving at a price for any given article, what assurance has the government that any of these firms were functioning efficiently during the price-determining periods?

MILITARY SERVICE—FARMERS AND FARM LABOURERS

Mr. FERLAND:

1. How many farmers and farm labourers have been called up for military training under the National Resources Mobilization Act in (a) Ontario, (b) Quebec?

2. What number of farmers in (a) Quebec and (b) Ontario, have secured one or more postponements in the hearing of their appeals against military service?

3. How many of those called up have been placed in an inferior medical category?

4. Has the government authorized local commissions to hear and determine requests for leave by farmers who desire to return to their land during the farm work season?

5. Has the government appointed an agricultural representative for administrative division "E" at Montreal? If so, who has been so appointed?

CORVETTES

Mr. MacINNIS:

1. How many corvettes have been ordered by the Department of Munitions and Supply from the 1st of September, 1939, to date?

2. How many have been launched by the various builders in the same period?

3. How many have been delivered to the government in the same period?

4. What is the average cost to the government of the corvettes delivered?

5. How many shipyards are building corvettes for the government?

6. What is the average cost of the corvettes completed to date for each yard?

ADMINISTRATION OF ANNUITIES ACT

Mr. REID:

1. What is the total number of personnel employed in connection with the Annuities Act, including all branch offices?

2. What is the total number employed at the central office in Ottawa, apart from the branch office?

3. What is the annual cost of the central office?

4. How many branch offices are there in Canada?

5. Where are these branch offices located?

6. What were the total number of individual contracts secured for each branch office in Canada during the calendar years 1938, 1939, 1940, and 1941?

7. Who is in charge of the central office in Ottawa?

8. How long has this employee been in charge of this office?

9. What salary does he receive?

10. What was the amount of remuneration paid to all branch managers during the years 1938 to 1941?

MOTION PICTURE EQUIPMENT

Mr. GILLIS:

1. How much motion picture equipment has the government purchased since the outbreak of war?

2. How much motion picture equipment has been sent to the Canadian forces overseas?

3. Was any motion picture equipment sent to the Canadian forces in Hong Kong?

4. What companies received motion picture contracts from the government, and what is the amount of each contract?

M.D. NO. 4 OFFICERS AND SELECTION BOARD

Mr. LaCROIX (Quebec-Montmorency):

1. What percentage of officers on the authorized establishment of headquarters military district No. 4 are French-Canadian bilingual, and what are their names?

2. What is the composition of the junior selection board of military district No. 4, and which if any are French-Canadian bilingual?

3. On the headquarters of district depot military district No. 4, how many officers are French-Canadian bilingual, and has there been any reduction in the proportionate representation at any time within the last year?

JAPANESE FISHING BOATS ON PACIFIC COAST

Mr. REID:

1. What was the total number of fishing boats collected from the Japanese, giving the numbers in each respective class of boats, such as seine boats, gillnet, packer, etc.?

2. How many of these boats have been disposed of by cash sale, giving each respective class of boat and the price paid in each instance?

3. How many of the Japanese boats impounded have been found to have a lien or mortgage on them, held by individuals or companies?

4. How many of these boats have been released to either individuals or companies on claims made by way of liens or mortgage?

5. Have fishing companies to date registered claims either by way of lien or mortgage?

6. If so, what fishing companies and on what number and type of boats?

7. What is the value of the claims made by the various fishing companies?

8. Have any individual valuations been placed by the committee on any of the boats offered for sale?

9. If so, how do the individual valuations compare with prices set on these boats by the Japanese?

10. If not, why were practical steps not taken to prevent prices being obtained which are above the present value of some of the boats?

11. What facilities are in effect now to allow interested buyers to inspect these boats?

MOTIONS FOR PAPERS

ROYAL CANADIAN NAVY—AJAX CLUB, HALIFAX, N.S.

Mr. McGREGOR:

For a copy of all letters, telegrams, reports and other documents in the possession of the

minister or Department of National Defence for Naval Services, dated from September 9, 1939, to date, relating to the proposed gift of the Ajax club in the city of Halifax to the Royal Canadian Navy.

PRAIRIE FARM ASSISTANCE

Mr. CHURCH:

For a return showing—1. The amounts paid from the consolidated revenue fund to farmers of Manitoba, Saskatchewan and Alberta, since the year 1930, by years, on account of (a) direct per bushel bonus, (b) wheat acreage bonus, (c) wheat acreage reduction bonus, (d) prairie farm income bonus, (e) Prairie Farm Assistance Act.

2. The deficits sustained by the Canadian wheat board in each year since its establishment.

3. The total amounts paid since 1930 to farmers in Ontario, Quebec, New Brunswick, Nova Scotia and Prince Edward Island, by way of, (a) wheat bonus, (b) hog production bonus, (c) cheese production bonus.

CIVIL SERVICE SUPERANNUATION

EXTENSION TO CERTAIN DIPLOMATIC OR CONSULAR SERVICES

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to amend the Department of External Affairs Act to provide for the application of the Civil Service Superannuation Act to certain diplomatic or consular representatives.

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.

WAR APPROPRIATION

SUPPLEMENTARY PROVISION FOR GRANTING TO HIS MAJESTY AID FOR NATIONAL DEFENCE AND SECURITY

Hon. J. L. ILSLEY (Minister of Finance) 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 be called the Supplementary 1941 War Appropriation Act to provide *inter alia,*

1. That sums not exceeding $135,000,000 be granted to his majesty in addition to the sums granted by the War Appropriation Act, 1941, towards defraying any expenses or making any advances or loans that may be incurred or granted by or under the authority of the governor in council during the year ending March 31, 1942, for:—

(a) the security, defence, peace, order and welfare of Canada;

(b) the conduct of naval, military and air operations in or beyond Canada;

(c) promoting the continuance of trade, industry and business communications, whether by means of insurance or indemnity against war risk or in any other manner whatsoever; and

(d) the carrying out of any measure deemed necessary or advisable by the governor in council in consequence of the existence of a state of war.

2. That the governor in council be empowered to reexpend, advance or loan moneys that may be received by way of refund or repayment of advances, loans or expenditures under the War Appropriation Act, 1939, the War Appropriation Act, 1940, the War Appropriation Act, 1941, and the Supplementary 1941 War Appropriation Act.

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

Motion agreed to.

CANADIAN ARMY

ENLISTMENT CAMPAIGN—RECRUITING FIGURES FOR JANUARY, FEBRUARY AND MARCH

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): I should like to ask a question of the Minister of National Defence in connection with the statement he made a few minutes ago. How many draftees were called up in the same period? Did the figures he gave include volunteers from those who had been drafted, and if so, to what extent?

Hon. J. L. RALSTON (Minister of National Defence): I am sorry I have not the figures here. I cannot tell how many draftees were called up. These figures do include those enlisted from training centres who had been called up for training. I can give my hon. friend to-morrow or at any convenient time the figures for both.

WOOL

PRODUCTION, COMMANDEERING AND FIXING OF PRICE

On the orders of the day:

Mr. KARL K. HOMUTH (Waterloo South): In view of the news broadcast over the radio to-day to the effect that drastic provisions have been made in connection with the commandeering and price setting of wool in Canada, and Canadian wool production, could the minister, perhaps to-morrow, give the house a synopsis of what is in view or whatever order in council has been passed in this connection?

Hon. J. L. ILSLEY (Minister of Finance): I am not sure what department is concerned in this matter; it depends on what the transactions were. I will make inquiry and either

my colleague the Minister of Munitions and Supply or I will make a statement in regard to it to-morrow.

CANADIAN WHEAT BOARD ACT

PROVISION FOR INCREASED RATE PER BUSHEL ON WHEAT DELIVERED BY PRODUCERS

The house resumed from Friday, March 13, consideration of the motion of Mr. MacKinnon (Edmonton West) for the second reading of Bill No. 13, to amend the Canadian Wheat Board Act, 1935, and the amendment thereto of Mr. Douglas (Weyburn).

Mr. J. A. MARSHALL (Camrose): When the house adjourned at six o'clock on Friday last I was endeavouring to show that all the proposals which might be formulated by the government concerning this subject must be directed toward the solution of two important problems of agriculture: one, debt and taxation; the other, the exploitation or exhaustion of the soil.

This policy, having been formulated, I believe that the farmer's responsibility ends there, and the responsibility of his elected members, his government, begins. It is then the duty or responsibility of his government to formulate plans which might be designed to achieve the results sought. Because of this we must have a policy, and if this policy is to be effective it must be based entirely upon the financing of consumption.

Farmers do not need to be told how to raise products. There are far too many government departments telling him how he must or must not do certain things. Farmers as a body have learned agriculture in the school of bitter experience. What they really want to know is how to sell the output of their farms and obtain an adequate return for their labour, so that in the course of a normal year they can make a decent income from working and managing their farms. In other words the farmers want to know how to pay their debts and give their families a decent standard of living. That, to me, is the farm problem, stripped of all verbiage and trimmings. When the Minister of Agriculture (Mr. Gardiner) was speaking just a week ago to-day he said, as reported at page 1241 of *Hansard*:

> As I said last year when we were asking them to do it, it took at least a hundred million dollars out of their pockets, and we did not by any means manage to put all of it back in.

Do hon. members realize what this implies? It means that the farmers of western Canada had $100 million less, which they could have used, which they could have applied upon their mortgages or bank loans and taxes. I did not see in any newspaper, nor did I hear of any statement having been made by the Minister of Agriculture, that the minister would ask these financial institutions to ease their pressure on the farmer in the event of his not being able to meet his obligations. It would have been a humane gesture on the part of the Minister of Agriculture had he gone to the mortgage companies and other financial institutions and asked them to write off fifty per cent of this $100 million—or $50 million; split fifty-fifty, so to speak, on this amount of money. All the farmers received were left-handed compliments. No legislation was brought down to protect them against unfair or unscrupulous treatment on the part of the institutions or the municipalities.

A vital fact which is not recognized, so far as I am aware, in any policy of any government, is that the aptitude to produce requires a balancing facility for consuming. We can measure the wealth, the progress and the prosperity of agriculture only by what it sells. The whole aim of agriculture is to satisfy the needs of the people. These two ideas are constantly being lost sight of. You cannot have a state of over-production if potential output is governed by total effective consumption. Agriculture would face no serious difficulties if it were governed by this economic law rather than by government departments. Agriculture has been too long restricted because the purchasing power of the people has been restricted. Neither the restriction of production nor the restriction of consumers' purchasing power is pardonable as long as there is one home in the whole of the British empire, or in any of the allied countries, lacking agricultural commodities.

In 1939, when the estimates of the Minister of Agriculture were being discussed, I brought to his attention the plan devised by Milo Perkins of the United States department of agriculture. It is known as the "food stamp plan", and is intended solely for the purpose of dealing with surplus food commodities in that country. It is based upon the maxim that "charity begins at home". It is a scheme under which certain people may buy additional food at low prices, instead of that food being exported at cut rates. A subsidy is paid to the food merchant. The subsidy is paid out of taxes, and the scheme will increase taxation in direct proportion to its success. Apart from this feature, the plan employs the mechanism of Major Douglas's "just price". Not very long ago there appeared in the columns of the *Western Producer* a small news item, as follows:

> Blue food stamps added $9,637,000 worth of farm products to the diets of nearly 3,600,000 persons in the United States during the month of September.

In other words during the month of September, 1941, through the food stamp plan, the department of agriculture was able to distribute to the people of the United States $9,637,000 worth of farm products over and above normal consumption. In 1940 the consumption of meat increased by four pounds per capita over the year 1939. The consumption of pork in 1940 increased by 4·4 pounds per capita over the preceding year, which was the highest on record since 1929. The consumption of lard also increased, as was the case with many other agricultural products; and these increases were due to an increase in the purchasing power of the consuming public. On March 1, 1935, the editorial columns of the London *Times* contained this statement:

> The principal obstacle to trade revival lies in the inability of many potential customers to obtain the wherewithal to purchase commodities that they could use with advantage.

Again in 1940 the same newspaper carried this item:

> Attempts in the past to get the economic machine back into gear have gone awry because we thought it enough to organize and stimulate production, bringing upon ourselves the anomalies of "under-consumption" and "poverty in the midst of plenty." The consumer has too long been the stepchild both of economists and politicians. What will be needed most of all when peace is restored is planned consumption.

I recommend to the Minister of Agriculture close study of these two statements. I am sure no one, even in his weakest moments, would accuse the editor of the London *Times* of having a leaning toward such unorthodox views as those held by the Social Credit party; yet I want to repeat that the editor of this newspaper says that we must have planned consumption. We in this corner of the house have been advocating that for a considerable number of years. The financing of consumption must be studied, and we must come to it eventually. We must formulate a policy which, while acceptable to the agricultural community as a whole, also must be acceptable to the general public. Therefore I should like to suggest the following policy for agriculture: That Canadians as a whole should be provided with a flow of purchasing power adequate to ensure the distribution of as much as we can produce, and for which potential demand evists; that in the use of this purchasing power individuals shall be free to exercise their choice, and that farmers will be free from restriction and control in order to fulfil the demand; and that the measures taken to put this policy into effect shall not be such as to cause an increase in taxation or debt, or an undue rise in price.

[Mr. Marshall.]

Here is where I should like to offer a suggestion to some of the farm organizations. I believe all these resolutions they have passed are very fine, but they should contain a clause which would safeguard their proposals. I maintain that the Minister of Agriculture could give $1 a bushel for wheat, or even $1.25, with one hand and a week from to-day turn around and increase the levy on every bushel of grain marketed from one per cent to five or even ten per cent. I have a feeling that he is even considering such a thing at the present time. Thus far I have not seen any safeguard such as I suggest should be in these resolutions.

No doubt many of my Liberal friends are extremely anxious to know what I would do about this matter. It is this. If I were made a dictator for the purpose of doing only one thing as a contribution to the "good life", I know what I would do. I would put the Minister of Agriculture, the Minister of Trade and Commerce and the members of the agriculture committee into a room together and keep them there until they had settled the problems of food production and food distribution in this country. The only person for whom I would allow them to send to help in their deliberations would be the governor of the Bank of Canada. The penalty for not getting the job done would not be that they should be called honest men, but that they should be fired.

In case some hon. members may be inclined to attribute this very sensible idea to me, thereby consigning it to the grave as soon as it has been given birth, I hasten to advise those hon. members that it is not original by any means. In the Sunday *Times* of London England, two or three years ago there appeared an article written by Lord Horder. I lifted bodily from that article the portion I have just read to the house, and paraphrased it to suit the present occasion. Lord Horder is one of the few individuals in Great Britain who received his title for sheer merit. He holds a most imposing number of public offices, and is in fact physician to the king. Because of his standing and international reputation this idea of his should be worthy of a trial.

In conclusion I desire to submit to the Minister of Agriculture the following recommendations:

1. As the policies recommended by the bureaucrats of the Department of Agriculture in the past years have not solved our agricultural problem, the services of these individuals should be dispensed with forthwith. A thorough housecleaning in that department is in the public interest.

2. That all existing agricultural legislation, including the bill now under discussion, be wiped off the statute books, because they are mere palliatives, are costly to administer, and have lamentably failed in their purpose.

3. That the committee on agriculture should sit continuously during the present session, and during all recesses, until a permanent solution has been found.

4. That this committee on agriculture should decide, first of all, what the actual problems of agriculture are, bearing in mind those I have mentioned, namely debt and its twin evil taxation, and the exhaustion or exploitation of the soil.

5. That this committee formulate a policy which, if put into effect, will bring about quickly a permanent solution of these problems.

I would suggest that a study be made of two things: (a) financing consumption, and (b) the food stamp plan.

6. That experts be appointed to administer the policy; that these experts be divorced entirely from political influence; and that in the event of the policies being successful these experts be appointed to the positions in the department made vacant by the removal from office of those who have had charge of our agricultural policy over the years.

The outline of procedure I have given would make a real approach to this whole problem, and in my judgment would return agriculture to its rightful position in the economy of our country.

Mr. LIGUORI LACOMBE (Laval-Two Mountains) (Translation): Mr. Speaker, at the last sitting of the house, I was prevented from voicing the honest and free views of the electors, both men and women, of my constituency of Laval-Two Mountains. Like our gallant soldiers at Hong Kong, I was a target, not for Japanese shells or other enemy missiles, but for the satirical shafts of the honourable the Minister of Pensions and National Health (Mr. Mackenzie) who is no longer, thank God, at the head of the Department of National Defence. However it may be, the affray has left me unscathed and in better fighting trim than ever.

Before proceeding with my remarks on the amendment and the measure now before the house, I wish to add my humble tribute to those paid by the Right Hon. the Prime Minister (Mr. Mackenzie King), the hon. leader of the opposition (Mr. Hanson) and the hon. members for Rosetown-Biggar (Mr. Coldwell), for Lethbridge (Mr. Blackmore) and for Outremont (Mr. Vien) to the memory of the Right Hon. Senator Raoul Dandurand. That outstanding statesman has passed away at a ripe old age, after a life marked by great achievements. May I recall one event in his long and brilliant career? Fifteen years have elapsed since the day when, at the Luxembourg Palace, speaking after Mr. Raymond Poincaré, he thrilled the heart of a great nation. The experienced diplomat whom Canada mourns to-day had, like us, a passionate love of France. He ardently hoped for the liberation and resurrection of that great nation made immortal through centuries of sacrifice, genius and heroism.

His splendid, noble and great life will ever survive in our memory. May he rest in peace and may this Canadian soil which he loved so dearly shelter his eternal sleep.

Another outstanding citizen, Mr. Ernest Ayers, manufacturer and commander of the Order of Saint Gregory the Great, has recently died. A man noted for his boundless generosity, he had, together with his brother Harry, recently made to the town he loved so much, Lachute, the gift of a splendid temple dedicated to our Roman Catholic faith.

To the families of those two great Canadians I tender my heartfelt sympathy.

I also wish to offer my sincere condolence to the bereaved family of the Hon. Senator Edgar N. Rhodes, a former speaker of this house and minister of the crown.

Mr. Speaker, I would not have spoken in this debate had not some facts of national importance just been misrepresented in the Quebec assembly, in connection with the mobilization act and the repeated requests which, with a few of my fellow members, I have voiced in this parliament regarding exemption for farmers' sons.

For an obvious purpose of political propaganda, one of the ministers of the Quebec provincial government has dared to claim that Premier Godbout verbally requested the federal authorities, as early as 1939, to exempt farmers' sons from military service. What kind of people does this minister think the electors of our province are? He knows or ought to know that compulsory military service was only enacted in June, 1940. He cannot be unaware of the fact that the mobilization act was not passed by the dominion parliament until June 19, 1940. In this connection, I may refer Premier Godbout and his minister, Mr. Casgrain, to the official report of the House of Commons for June 19, 1940.

No, Mr. Speaker, Hon. Mr. Godbout did not ask that farmers' sons be exempted. On the contrary, he, along with his ministers and the members who support him, bitterly

opposed the motion which Mr. René Chalout moved in the Quebec assembly on June 18, 1940. That motion opposed the mobilization act. And while I and the hon. member for Quebec-Montmorency (Mr. LaCroix) were opposing with the utmost energy the mobilization act in the dominion parliament, Hon. Mr. Godbout lost no time in sending, on June 18, 1940, to our dominion ministers, a telegram wherein he rejoiced at the defeat of Mr. Chalout's motion. By such action he betrayed once more the farmers as well as the farmers' sons, who were later taken from the farms and sent to training camps under the mobilization act which had the hearty support of Mr. Godbout. No, a thousand times no! The premier of the province of Quebec has, with his supporters, championed the mobilization act by his vote. By his attitude and his actions, he supported in the Quebec assembly that act which now threatens to undermine agriculture, our first line of defence.

Let us now examine the correspondence that passed between the dominion government and Hon. Mr. Godbout. The letters written by Hon. Mr. Godbout, were belated and worthless, and they have had absolutely no effect upon the dominion government. Will that teach the Quebec premier that although retribution for servility and flattery may be late in coming it must inevitably sooner or later, bring shame upon dispensers of election bribes, upon people who break their promises one after the other and who have not the slightest regard for their pledged word. I say servility and flattery. Yet even these words are not biting enough to fully qualify the ambiguous and shameful attitude of the Quebec premier on the vital question of exemptions from military service for our farmers.

This man who sets himself up as the protector of agriculture waits a whole long year before broaching the matter to the federal authorities. You will easily note by the replies he received from Ottawa to what extent the premier of Quebec has become the ridiculous puppet of the dominion government. The Hon. Mr. Godbout wrote letters of the palest pink to both the Prime Minister and the Minister of National Defence (Mr. Ralston). All this is evident from the letter he addressed to the right hon. Prime Minister on February 3 last. He, the self-styled defender of the agricultural class, dared to congratulate the prime minister of this country for a speech in which the latter repudiated those very pledges that were the only safeguard of our farm youth, the only factor safeguarding agricultural production so vital to our defence.

The people will understand now why the government of Quebec, placed as is the federal administration under the thumb of high finance, has mobilized its millionaire friends, its election parasites, its vote "telegraphers" from Montreal and Quebec to steal the recent Quebec East and Montreal-St. Mary contests. All this rabble will henceforth work under the orders of J. A. A. Leclair, chief organizer for the Quebec provincial government.

What a shame! You claim to be honest, yet you dare to appoint as head of your organization a big contractor and war profiteer. This blunder will cause no surprise among those who are aware of all the facts, for they know that a high official of your provincial police in Montreal has just robbed the Canadien party—

The ACTING SPEAKER (Mr. Fournier, Hull): Order. I would ask the hon. member to limit his remarks to the matter under discussion.

Mr. BRADETTE: Hear, hear. It is a shame what he is saying now; it is shameful, attacking his province here.

Mr. LACOMBE: It is the truth.

Mr. BRADETTE: Nothing of the sort. You should be ashamed of saying such things, you a French Canadian.

Mr. LACOMBE: I request that the hon. member withdraw his remark immediately.

The ACTING SPEAKER (Mr. Fournier, Hull): Order.

Mr. LACOMBE: The hon. member has just said that I should be ashamed of myself. According to Standing Order 41 of the house, this expression is unparliamentary.

The ACTING SPEAKER (Mr. Fournier, Hull): If the hon. member did make such a remark, he must withdraw it.

Mr. BRADETTE: In my opinion, I merely said what I honestly and sincerely think.

Mr. LACOMBE: I demand that the hon. member withdraw that remark.

Mr. BRADETTE: All I said, Mr. Speaker, was that a French Canadian should be ashamed to speak in that fashion about the province of Quebec, and about our compatriots.

The ACTING SPEAKER (Mr. Fournier, Hull): If these words concern the hon. member for Laval-Two Mountains, I request that they be withdrawn.

Mr. BRADETTE: I bow to your ruling, Mr. Speaker, and withdraw them.

Mr. LACOMBE: Mr. Speaker, a point of order has been raised and I do not have to discuss it. My entire speech is concerned with our farm problems, with agriculture in general, and we are discussing the wheat problem at the moment.

I shall not read the letters which the premier, Mr. Godbout, forwarded to the federal authorities. In the first place, Mr. Godbout did not know, a whole year after the adoption of the mobilization act, where to apply to request exemptions for farmers' sons. It is not I who say so, and I would like my hon. friend to make a note of it. This statement is contained in the correspondence exchanged with the Minister of National Defence (Mr. Ralston)—

Mr. BRADETTE: Mr. Speaker, on the point of order—

Mr. LACOMBE: —and published in the daily *Le Canada* on March 12, 1942.

The ACTING SPEAKER (Mr. Fournier, Hull): I would ask the hon. members to maintain even in the heat of debate an attitude in keeping with the dignity of this house. When an hon. member rises to a point of order, the other should resume his seat and wait until it has been stated.

Mr. BRADETTE: Mr. Speaker, I submit that the remarks of the hon. member for Laval-Two Mountains are absolutely out of order. He is endeavouring to introduce in this debate on the western wheat problem matters which concern solely the province of Quebec. Moreover, he is reading his speech and, in this connection, I submit also, as a second point of order, that according to the orders of the house no hon. member has the right to do so in parliamentary debate.

The ACTING SPEAKER (Mr. Fournier, Hull): If the hon. member is reading his speech, I request that he refrain from doing so in future. I would also ask that he comply with that order which states that an hon. member must limit his remarks to the subject matter under discussion. I therefore request that he restrict his observations to the bill under consideration at the moment.

Mr. LACOMBE: Mr. Speaker, speaking on the point of order raised by my hon. friend, I wish to say first of all that I am not reading my speech but merely referring to my notes upon occasion. The next time the hon. member reads his speech, I shall be only too pleased to raise similar points of order myself. I have in fact often seen him read his speeches.

Mr. BRADETTE: Mr. Speaker—

Mr. LACOMBE: I am still speaking on the point of order, and I would request the hon. member not to interrupt without first asking my permission, as the orders of the house provide. I am still referring to the point of order, Mr. Speaker. The question I have raised is one of national import closely connected with agriculture, to wit, that of military exemptions for farmers' sons. I submit respectfully that I am perfectly entitled to introduce the matter into this debate.

(Text) Mr. McDONALD (Pontiac): Mr. Speaker, on a point of order, I am under the impression that the house is dealing with No. 10 of the orders of the day:

> Resuming the adjourned debate on the motion of the Minister of Trade and Commerce for the second reading of Bill No. 13, an act to amend the Canadian Wheat Board Act, 1935, and on the proposed amendment thereto of Mr. Douglas (Weyburn).

The hon. member for Laval-Two Mountains (Mr. Lacombe), from the time he began his speech until the present time, has not touched whatsoever on this matter before the house to-day, that is, the bill to amend the Canadian Wheat Board Act. His whole speech is dealing with the question of conscription of the farmers.

Mr. LACOMBE (Translation): Mr. Speaker, I am positively not out of order and the whole question which I am discussing is directly concerned with federal agriculture to such a point that the hon. members who have just interrupted me will be the first, within a few weeks, to be forced to tackle these problems in their own constituencies.

Mr. HOMUTH: May we have a ruling on the point of order, Mr. Speaker?

The ACTING SPEAKER (Mr. Fournier, Hull): Here is the motion now under discussion:

> That this bill be not now read a second time.

It refers to Bill No. 13 concerning the price which the government is going to pay for wheat and to the amendment proposed by the hon. member for Weyburn (Mr. Douglas) purporting to have this price raised. I realize that much liberty is allowed the hon. member in speaking on the principle of the bill. However, when he introduces into his speech matters far removed from the question of wheat, I would ask him to wait for a better opportunity of making his remarks. I believe he is out of order. I make this decision impartially and without prejudice and I would request the hon. member to abide by the standing orders of the house.

Mr. LACOMBE: Mr. Speaker, I submit to your ruling, and I shall now speak of the stand taken by the premier of the province of Quebec on the question of wheat.

What has been the attitude of Mr. Godbout when wheat was brought east to the advantage of eastern farmers? Always influenced by the millers', the bakers' and the fertilizers' trusts, he has, for a number of years, refused to contribute to the transportation of western wheat into our province. The decision he took was only half-hearted. Being taken too late, it never attained its object. The hideous influence of the trust was exercised on the farmers of Quebec—those of Pontiac with the others—who have now to pay $38 a ton for fattening feed, while the consumer has to buy wheat flour at nearly $4 a hundred-weight. Such is the so-called protector of agriculture as our population should know him.

Will this man tell our people the name of the member of a trust, the financial grandee, who has just fled to the Bahama Islands with his assets in order to avoid the inconveniences of Canada's war effort and defence? Will he say how much in succession duties he caused the province of Quebec to lose?

Mr. Speaker, once again, and this is not the last time, I demand exemption from military service for farmers' sons. At this late hour, the premier of the province of Quebec claims that they should be exempted during the summer only. This is another deplorable mistake. Who would then attend, in the spring, to the dairy stocks, to the growing of vegetable seedlings in hotbeds, to the tapping of maple trees?

Having been called to order, I shall be satisfied with these few remarks for the present. However, I wish to point out to hon. members who have been so kind as to call me to order that I shall be as confident when I meet my constituents of Laval-Two Mountains, as they will be when, shortly, they have to face the people of their own constituencies.

Mr. BRADETTE: Very well.

Mr. LACOMBE: I shall point out to the hon. member who interrupted me last (Mr. Bradette), that my statements in this house were not those of a French Canadian, but rather those of a simple Canadian, and they were made in the name of the Canadian party, for my vision and my patriotism are not restricted to one province only. If anyone in this house ever raised the racial cry, he is the hon. member who has just interrupted. Why did he do it? Just to shamelessly promote his own political ends. That is his sole and only object.

Mr. BRADETTE: Mr. Speaker, I rise to a point of order. The hon. member for Laval-Two Mountains claims that I have promoted racial prejudice. The house where I have had the honour of holding a seat for the last sixteen years, as well as the people of my constituency, and of the provinces of Ontario and Quebec, know perfectly well that his statement is entirely devoid of truth.

Mr. LACOMBE: The hon. member should not make a speech when he rises to a point of order.

The ACTING SPEAKER (Mr. Fournier, Hull): I believe the hon. member for Laval-Two Mountains should withdraw the statement accusing another hon. representative of promoting racial prejudice. I think that under standing order 41, his utterance is unparliamentary and imputes motives to an hon. member. I consequently request that he withdraw his statement.

Mr. LACOMBE: Once more, Mr. Speaker, I bow to your ruling. Everything is satisfactory since both the hon. member and myself have withdrawn our respective statements. That is all.

Hon. T. A. CRERAR (Minister of Mines and Resources): Mr. Speaker, it was not my intention to take part in this debate. The policy which the government finally submitted to the house, as embodied in the three measures which have been under consideration—two of which have had their second reading, and the third of which concerns the present debate—was so fully placed before the house by my colleagues the Minister of Trade and Commerce (Mr. MacKinnon) and the Minister of Agriculture (Mr. Gardiner) that there was little required to be said in explanation of the measures; and I would not have risen from my seat to-day had it not been for some remarks made by a fellow-member from Manitoba, the hon. member for Portage la Prairie (Mr. Leader), with which I shall deal presently.

Generally speaking, the policies which the government submitted in the measures which have been before the house were reached only after very long and careful consideration. Quite naturally they were conditioned by the state of war in which the country has been, is now and probably will be for some considerable time. War makes new demands and creates new situations from day to day, almost from hour to hour. There is no doubt that the success that Japan has achieved since she went to war on December 7 has greatly influenced the whole question of food supplies for Great Britain and her armies and for our other allies, or such of them as can be supplied. It is only necessary in that respect to reinforce what was said by the Minister of Trade and Commerce, that a very large quantity of fats and oils, upon

which our modern civilization so much depends, was derived from areas that are now under the control of Japan. But that was not the only disadvantage that came from Japan's success.

As is well known, Britain draws large supplies of foodstuffs, much of it concentrated like dairy products and canned goods, from Australia and New Zealand. We have to face the definite possibility that shipments from these two countries now will be very seriously interfered with, if not entirely shut off. The success that Japan has had in taking Singapore and overrunning Java has given her the bases from which she can range the south Pacific and the Indian ocean, and difficulties of convoying ships containing materials and foodstuffs from distant lands like Australia to the theatre of war in Europe have been tremendously increased. That means that Britain more and more must draw largely from north America for her supplies for her civilian population and her armies, and for some of the other allies as well, like the Free French. Consequently our policies have been shaped in the light of that inescapable fact.

In this country we must as far as possible increase the production of concentrated foods. What do I mean by concentrated foods? Bacon products, meat products, dairy products and, as far as possible, canned fish, fruits and vegetables. It is in the light of that fact that our policies were finally reached.

The question of wheat is not a new one in this house. Hon. members are well aware of that fact. I think I may modestly claim that for at least thirty-five years, indeed almost forty years, I have been directly or indirectly associated closely with the marketing of wheat from the plains of western Canada. I remember the time—it is so many years ago now that I do not like to recall it—when I managed a farmers' elevator in a little Manitoba country town and received there my first introduction to the problems of marketing wheat, and I recall also the agitation that took place in the early years of this century, which led to the creation of the first farmers' marketing company. All down through the years, from that time on, I have had a close association with the marketing problems in connection with wheat. I hesitate to make this statement, because one is reluctant to obtrude one's own personal views too much in a debate of this kind, but looking back over that period, while my judgment at times may have been wrong, I can quite conscientiously say that in all aspects relating to this problem I have endeavoured to do the thing which I thought was in the best interests of the farmers of western Canada. If I may say so, I resent implications or insinuations that other motives have guided my conduct at any time during that long period of years.

The problem of marketing wheat is a difficult one because wheat is grown over an immense area by many scores of thousands of farmers, and naturally when a farmer is marketing his product under conditions where it passes for a time from his own hands before he gets settlement finally for it, there is room in his mind for doubt as to what may happen to it. I think it is unfortunate that this problem of marketing wheat in the past has not been free at times from political considerations or factors that operated in connection with it, and which often arose from people who were perfectly sincere. But I want to come back for a moment to the general line of policy that we have laid down.

As the bill indicates, we are limiting deliveries of wheat this year to 280 million bushels. It is quite unlikely, from the present outlook, that that quantity will be reached for marketing by the farmers of western Canada, and I say that for two or three reasons. In the first place, the subsoil moisture conditions in Saskatchewan and Alberta are worse than they have been for a good many years, and Saskatchewan and Alberta are provinces from which very largely, in fact almost entirely, wheat production comes. For a good many years now experience has shown that when subsoil moisture conditions in the autumn are seriously deficient it is very unlikely that a bumper crop will be harvested. While therefore we will accept 280 million bushels, it appears to me doubtful to say the least whether that quantity will be reached.

But there was pressing need for the production of feeding grains. Last year there was a deficiency in feeding grains, that is in grains such as oats, barley and corn. The vast hog production campaign to meet the requirements of Britain, in which this country has been engaged for two years and which will require an increase of 140 million pounds of bacon products in 1942 over 1941, if we are to meet the requests that have been made to us by the British government, means that a very large increase must take place in the production of feeding grains. Not only that, but we shall probably be able to market in the United States, as has already been indicated by ministers who have preceded me, any surplus in these feeding grains that we can produce.

The United States, to make up a deficiency in vegetable oils and fats, is planning a quite considerable campaign for the planting of soya beans so that they may get from that

source the vegetable oils necessary for their ordinary economy. For the same reason, as outlined by the Minister of Trade and Commerce, we are giving encouragement to the increase of flax production in Canada. We hope to increase it at least fourfold in the present year. That is the explanation of the much higher price that is offered for flax than that at which it had been selling during the last few years.

Our policy then is to stimulate and increase the production of feeding grains. A year ago, when we were considering this problem, the prices for oats and barley, two of our main feeding grains, were at least 20 cents a bushel less than to-day. By the higher price now obtained for these grains, by establishing minimum prices for them, by the bonus which is paid per acre for their production on the basis of the 1940 wheat acreage, we hope that in the area capable of growing these feed grains we can very greatly increase their production. For this reason the bonus has been given. I think it is sound policy, notwithstanding some criticism of it in the house.

There is another aspect of our wheat production that requires consideration. There are many farmers in western Canada who would prefer to see any assistance they may receive from the government given on a bushel basis. Naturally those are the farmers living in what might be described as fairly sure crop areas. Their wishes have been met, though not to the extent that many of us would like to see, by the increase in the initial price from 70 to 90 cents a bushel. But on top of that we have retained the principle embodied in the Prairie Farm Assistance Act, which in my judgment was one of the best pieces of legislation ever passed by this house in relation to this whole wheat problem. It is no secret that the credit for it goes very largely indeed to the present Minister of Agriculture. A farmer may suffer from total or partial crop failure through no fault of his own. It may be due to lack of rain—a crop lost through no fault of the farmer, indeed is usually or almost entirely due to lack of rain; it may be due to infestation with rust. In any case the farmer who thus finds his work lost and is left largely without any crop gets a measure of assistance under the Prairie Farm Assistance Act. When we weigh all the factors involved I think the government, in the legislation submitted to the house, has in very large measure met the needs of the situation. I know that statement does not fit in with the views held by some hon. members opposite from western Canada. But as was said the other day in this debate, Canada is a large country and a difficult country to govern. No one section of Canada can always get everything it wants; otherwise government in the country would be impossible. I have long held the view, and I have been criticized for it and my position has been misrepresented in certain places, that any policies adopted for the protection of the wheat farmer in western Canada must carry the reasonable judgment not only of hon. members of this house but of the whole of Canada. I think that is a fair statement.

I should like now for a few moments to deal with some of the criticisms directed against me the other day by the hon. member for Portage la Prairie (Mr. Leader). Let me say at once that the hon. member for Portage la Prairie is one of the sincerest members in this house. I have always said that, and I have always believed it; I do not think there is any hon. member who tries more sincerely to do what he thinks is right. But at the same time, and I do not say it unkindly, there are very few hon. members in this house whose judgment is more influenced by their prejudices than my hon. friend. May I say to him and to the house that long experience in life has taught me this lesson, that prejudice is never other than a very poor substitute for reason.

Mr. LEADER: I rise to a point of order. Is not the hon. member imputing motives? If he is, it is against the rules of the house, and I ask him to withdraw. What I said the other day was said in all seriousness, believing it to be true. I had to substantiate every charge I made by citation from *Hansard*.

Mr. CRERAR: I was imputing no motive to my hon. friend. If he thinks I should withdraw the remark, I will do so. But I shall proceed to show him that he really did not know what he was talking about the other afternoon when he made his criticism.

Mr. LEADER: I rise again to a point of order. I do not think it is permissible for any hon. member to say that another hon. member does not know what he is talking about, unless he is sure of it.

Mr. CRERAR: Well, if that offends my hon. friend I withdraw it absolutely. His first criticism was in regard to my attitude on the mixing of wheat. He criticized me as being animated wholly by a desire to do chores for the grain trade in Winnipeg.

Mr. REID: That was imputing motives.

Mr. CRERAR: He illustrated that statement, as I said a moment ago, by my attitude

on the mixing of wheat. My hon. friend is quite right—although he is not correct as to the occasion he refers to; it was in a different debate in the house—in saying that I was not opposed to mixing. I have not changed my position on that. I think there has been more nonsense talked about the mixing of wheat than about any other aspect of the business of marketing wheat. Let me for a moment seek to justify that statement. It has only a remote relation to the subject of this debate, and I hope that if I transgress the rules I may not be too severely called to order. The fact of the matter is that mixing is denied to-day only in the four top grades of wheat, No. 1 hard, No. 1 northern, and Nos. 2 and 3 northern. Wheat grading No. 4 northern and below can be mixed under the act, and in fact are mixed very frequently. So that the criticism of my hon. friend applies only to that part of our wheat grading above No. 4 northern.

My contention always has been that in any event wheat is mixed before it is ground into flour. The miller in Britain mixes it; the miller in Canada mixes it, and the argument I have always made is that the nearer to the producer you have that service performed the more the producer is going to get out of it.

Mr. PERLEY: Where does the farmer profit by it?

Mr. CRERAR: The farmer does profit by it. If my friend will be patient I can explain it, but I did not wish to go into that. Thirty years ago there was a very considerable agitation among the farmers of western Canada for a sample market in Winnipeg. If my hon. friends will go back and read the reports of the conventions of the grain growers associations in Alberta, Saskatchewan and Manitoba of thirty years ago—and I attended them all—they will see that this was often one of the principal topics of discussion. Why? Because on the Minneapolis market a few hundred miles south of Winnipeg they had what was called a sample market. They had a grading system, but they also had a sample market where any miller, buyer or dealer could go and examine samples of grain, and to my own knowledge premiums of as much as five or six cents a bushel were paid to certain farmers on certain grades. What gave rise to the agitation against mixing? That did not come up until the time mentioned by the hon. member for Portage la Prairie though I think it was in 1922 instead of 1925.

Mr. LEADER: If I may correct the minister, it was in 1925, when the grain act was revised.

Mr. CRERAR: It was revised following the general inquiry which I think was in 1922.

Mr. LEADER: I have it right here.

Mr. CRERAR: It may be as the hon. member says, but in any case it is immaterial whether it was 1922 or 1925. The point I wish to make is that prior to this limitation being placed in the grain act there had been mixing of grain all down through the years, and exception had not been taken to it. The difficulty arose in this way, and from a wholly different cause. The view developed in western Canada that on the average the grain shipped from the plains of the west was not equal in quality to the grain of twenty years before, and that was true. It was claimed that the mixing of grain had deteriorated the quality and lowered the general average of the grain reaching the markets abroad. That did not apply in the early years. Why did the difficulty arise at that time? I submit, Mr. Speaker, and I think I am well within the facts when I say, that it was due altogether to a great increase in the varieties of wheat produced in the west.

Let me give an illustration. About ten years ago I was motoring through Manitoba during harvest time, in the Neepawa district. There I saw a lovely field of wheat that looked to me to be good for thirty bushels to the acre. There had been some rust that year, and my instinct as an old grain man prompted me to stop the car and go into the field to see what damage had resulted from rust. The farmer was stooking a little distance away, and when my friend and I went into the field he came over. The gentleman with me was an experienced seedman. Before the farmer came over we picked up some heads and looked at them, and my friend said, "I have spotted seven different varieties of wheat in this one shock of grain." There was marquis, there was preston, there was red bobs, and I have forgotten the others. That practice was very widespread throughout the west. Many in this house will remember, and I am sure no one better than the hon. member for Qu'Appelle, the discussions that took place with regard to garnet wheat.

Mr. PERLEY: I suggest that the farmer in question got his seed from an elevator where it had been thoroughly mixed.

Mr. CRERAR: No, no. Mr. Motherwell, who rendered distinguished service to agriculture in Canada, and from whose services I do not wish to detract, was the great protagonist of garnet wheat, as everyone knows. Why? Because garnet wheat was an earlier maturing variety, and could be grown in regions further north. But the introduction

of garnet wheat in western Canada was one of the greatest misfortunes ever to happen to the whole wheat business of the west. Consequently you had this mixture of varieties, and it is only within recent years that the seed branches, not only of the federal department but of the provincial departments of agriculture, have been emphasizing the need of pure seed. It was this mixing of varieties, many of which had altogether different milling qualities, that lowered the general standard of our wheat abroad, and it will not come back until we return to and maintain true varieties. This question came up largely because of that situation.

Then the hon. member for Portage la Prairie went on to make statements about the right of farmers to ship their grain to certain terminals. In his remarks he claimed that this privilege had been taken away from the farmers. Speaking of your humble servant, the hon. member said, at page 1308 of *Hansard:*

> Again, he was mainly responsible for the taking away of the right of the farmer to name the terminal of his choice. I do not want to go at length into that, but he was the one man who took away that right from the farmer.

The astonishing thing is that the farmer has that right to-day and has had it for nearly twenty years.

Mr. LEADER: Through the Campbell amendments.

Mr. CRERAR: It does not matter; he has it, and my hon. friend will find it in paragraph (2) of section 114 of the grain act. There is no question about it. But what has happened in practice? Have the farmers taken advantage of that right? Ask the pools; ask the United Grain Growers; ask any grain elevator concern in Winnipeg.

Mr. HANSON (York-Sunbury): Under present conditions has the farmer any choice?

Mr. CRERAR: Certainly he has.

Mr. HANSON (York-Sunbury): Theoretically, but not practically.

Mr. CRERAR: Certainly he has. If the hon. member for Qu'Appelle puts a carload of grain into an elevator at Qu'Appelle, the elevator company is first obliged to take it in if it has space; and when my hon. friend orders a car he can go to the elevator agent at that point and say, "I want my grain loaded into this car." Then when the grain is loaded into the car he can say, "Here are your elevator charges," and he can take that car of grain and send it to any terminal he wishes.

Mr. PERLEY: Perhaps the minister recalls the statement made last June, I think, by the Minister of Trade and Commerce, that it would be almost impossible to do that now, that the man would have to go down to Fort William with the car to pay the freight and get the warehouse receipts, and the Minister of Mines and Resources backed his colleague up in that.

Mr. CRERAR: What I am complaining about is the statement of the hon. member for Portage la Prairie, which I am quite convinced was made in good faith. But the farmer has that right, and if he does not take advantage of it, why does he not? Because there are not only the elevator charges to meet. He may not have the money to pay the elevator charges, but he wants the freight paid when the grain gets to the other end. As a matter of fact, while that provision has been in the law for almost twenty years, there is scarcely a farmer in the west to-day who takes advantage of it. I object to being criticized in this house as the individual who took a right away from the farmers. I did not. He has it and has had it for the last twenty years.

Mr. PERLEY: Is not the difficulty principally that the elevators at Fort William will not take it in, that they are all full, and the farmer has to take the grain to some elevator to be unloaded? Then the elevator says, "We don't want it."

Mr. CRERAR: No; during the last ten years there were many times when the terminal elevators at Fort William were hungry for grain.

Mr. PERLEY: They are not at the present time.

Mr. CRERAR: They are not just now, though there is space for over 120,000,000 bushels in Canada at the present time.

I come now to another point. My hon. friend stated I was responsible—and I suggest that is the only inference which can be taken from his remarks—for keeping the grain exchange open, and that I went over to Great Britain after the outbreak of war and came back with the story that the cereals import committee in Great Britain wanted the grain exchange kept open. They did not make that representation to me; it was made to the wheat board, and my hon. friend was in error again. I say that, because he went on to say, about myself:

> Then he went to Great Britain and returned with the advice that Britain wanted the grain exchange to function. He was interested in the grain exchange, notwithstanding the fact that

the market was closed in Britain and they had sent an agent, and all that they purchased was purchased through that agency.

My hon. friend was wrong. The cereals import committee have never had an agent in Canada purchasing wheat, and they have not to this day.

Mr. LEADER: May I ask a question?

Mr. CRERAR: Yes.

Mr. LEADER: The minister is placing the wrong interpretation on what I said. He will admit that the grain purchased for the old country, and for France while it lasted, was being purchased through the one agency, whether it was here or in Great Britain.

Mr. CRERAR: But that is not what my hon. friend said.

Mr. LEADER: Splitting hairs.

Mr. CRERAR: No. My hon. friend said they had sent an agent to Canada, and that all they purchased had been purchased through that agent. They did not send an agent to Canada at all, and they never have had an agent in Canada. All sales which have been made by the wheat board have been made direct by cable communication with the cereals import committee in Great Britain.

Mr. LEADER: The only agency?

Mr. CRERAR: They have never had an agency in this country buying wheat—and when I say that I am not giving away any information which should not be divulged.

Mr. PERLEY: They have not one at the present time?

Mr. HANSON (York-Sunbury): They have had a representative here.

Mr. CRERAR: They had engaged a firm in Montreal, I believe it was—I am not sure whether it was Montreal or Halifax—to look after the forwarding of their grain.

Mr. HANSON (York-Sunbury): Then they had a representative?

Mr. CRERAR: They had a representative in that sense. But that representative did not buy one bushel of grain.

Mr. DOUGLAS (Weyburn): Did not Mr. Rank represent the cereals import committee?

Mr. CRERAR: Mr. Rank is chairman of the cereals import committee in London, and he is operating in London, altogether.

Mr. PERLEY: Does not the Canadian wheat board represent the cereals import committee in Canada?

Mr. CRERAR: No, it does not represent the cereals import committee.

Mr. PERLEY: We will find that out in committee.

Mr. CRERAR: The wheat board in Canada represents the Canadian people and the Canadian government. It is a Canadian government body. They make arrangements for purchase and sale between two principals, and there is no agent in Canada who is purchasing any grain for the British government.

Then my hon. friend brings another indictment against me. It is not a very severe one, but he imagines, in some mysterious fashion, that I was the individual who prevented the farmers from getting advances on their grain stored on their farms after the 1940 crop. I need add little to that; the Minister of Agriculture dealt with the point the other evening, when the hon. member was speaking. As a matter of fact this question was considered very fully by the wheat board, and I believe it is obvious to any hon. member that there were problems associated with this matter. I believe I am correct when I say that the banks were reluctant to make the advances. Instead of making the advances, a system of farm storage was worked out to encourage the holding of grain on the farms. But while there was a big crop in 1939, and also a large one in 1940, the storage difficulty did not turn out to be nearly as great as had been expected, because the grain companies, the pools, United Grain Growers and private companies, built temporary storage at probably hundreds—I dare say thousands—of shipping points in western Canada.

Mr. HANSON (York-Sunbury): You made it very attractive for them to do so.

Mr. CRERAR: No, they got their ordinary carrying charges.

Mr. HANSON (York-Sunbury): Oh, they got more than that.

Mr. CRERAR: No, my hon. friend is quite wrong.

Mr. HOMUTH: And the right of write-off.

Mr. CRERAR: No.

An hon. MEMBER: Plus exemptions.

Mr. CRERAR: No, my hon. friend had better wait until he is sure of what he is talking about. There was no arrangement concerning write-off made in respect to storage built at country points in western Canada. That is what I am talking about.

Mr. HOMUTH: That is a distinction.

Mr. CRERAR: Not an arrangement at all. There was an arrangement made—well, my statement there might not be altogether correct, because there was an arrangement made concerning special storage at the head of the lakes, to accommodate about 50,000,000 bushels.

Mr. HANSON (York-Sunbury): And some in the country.

Mr. CRERAR: But the point I am getting at is this: the criticism made against me was one concerning my failure to support the giving of advances on grain on the farm. If that had been left to the wheat board it would have created a tremendous problem of administration. Naturally the government and the wheat board did not want to undertake that task unless it was absolutely necessary. Why? The farmer makes an application for an advance on his grain on his farm. After the application you have to go out to the farm and, first, see that the grain is there; second, see that it is housed in a place where it will keep and, third, be sure that it will be available at some time to repay the advance.

An hon. MEMBER: It is done in the United States.

Mr. CRERAR: I do not know what they did in the United States, but I believe it was on only a very small percentage of their wheat. The lack of this provision has worked out in Canada without any very great hardship. I know of farmers who had grain on their farms and who wanted to take advantage of farm storage. They went to their local banks and borrowed money to pay for twine, threshing and current needs, and it worked out all right.

I should like now to make a few observations respecting the amendment of the hon. member for Weyburn (Mr. Douglas).

Mr. LEADER: May I interrupt? I suggest that the minister deal with the last charge I made.

Mr. CRERAR: What is that?

Mr. LEADER: I would refer the minister to page 2379 of *Hansard* for 1940 where he declared that the present tariffs were fair to the elevator companies in the face of the demand for lower storage charges. Would the minister deal with that?

Mr. CRERAR: I will. The pools, the United Grain Growers and the other elevator companies claimed the tariffs were fair. Considering all the risks involved, I think they were fair. I have seen a statement recently, one which I have no reason to doubt—an audited statement—showing what ten representative grain firms in Winnipeg made in the last ten years. This statement shows that there were several years when they had losses.

I am a shareholder, for instance, in United Grain Growers. I believe that that organization is as well managed as any elevator concern in western Canada. I have no doubt there are several hon. members in the house who were shareholders in United Grain Growers, and if there are such they will recall that they received no dividends whatsoever on their capital for several years out of the last ten. That was the experience not only of that company but of others.

Mr. HANSON (York-Sunbury): They are not alone in that. There were other companies in the same position.

Mr. CRERAR: Quite; I do not dispute that. It was a bad time for business of all kinds.

Mr. ROSS (Souris): But they have done all right in the last couple of years.

Mr. CRERAR: Perhaps not as well as the hon. member imagines. I have examined the statements of United Grain Growers, for instance, and if my hon. friend will look at them he will see they have handled a large volume of grain and have not made a very great amount of money.

Mr. DONNELLY: Have not the elevator companies paid 6 per cent on their capital?

Mr. CRERAR: Some of them I believe have not. They may have paid it, but if they did it was paid out of reserves. Some of them have actually had losses. On this point I am speaking of the last ten-year period.

Mr. DONNELLY: I mean in the last two years. I think I am right.

Mr. CRERAR: I had in mind a longer period than the last two years.

Mr. HANSON (York-Sunbury): It all depends upon how you keep your books.

Mr. CRERAR: That is an interesting observation, but it is rather difficult to get away with any juggling in bookkeeping when a firm of chartered accountants with a reputation to protect, and elected by the shareholders to protect their interests, is auditing the business statements.

Mr. HANSON (York-Sunbury): I admit that that is the theory, but I am not so sure of the practice.

Mr. CRERAR: I am being diverted from my thought. I should like to say a word or

two about the amendment moved by the hon. member for Weyburn (Mr. Douglas). Obviously if that amendment carries the legislation goes by the board.

Mr. DOUGLAS (Weyburn): No, not at all; that does not follow.

Mr. CRERAR: No other interpretation could be put upon it. This matter could properly be examined into when the bill is before the committee. There you can have discussion as to the why and wherefore of and the justification for the legislation. In this regard I agree wholly with the hon. member for Portage la Prairie. I regret that the hon. member for Weyburn has moved this amendment, because I do not think it adds anything to solving this most perplexing problem. Perhaps the people in my hon. friend's constituency will think that he is their champion in the House of Commons, and that may not be a bad thing for the hon. member for Weyburn, but I submit that that is not the highest ground upon which a matter of this kind could be considered.

This question presents many difficulties. Let me repeat that it is a policy for this year and this year only. You cannot chart a long-time policy for wheat with the world at war and with the changes that may come next month, or six months or a year hence. I maintain that it represents the considered and best judgment of a lengthy discussion. I have no hesitation whatever in suggesting to the house that the programme of the government should be accepted.

Mr. HANSON (York-Sunbury): Is not the only unknown factor the probable size of the crop? The war is there, the transportation difficulties are there, and consumption is there; the size of the crop is the only unknown factor.

Mr. CRERAR: We do not know what may happen to shipping during the coming year. There is also the question of the number of people who will consume this product, and there are other factors to be considered in reaching a conclusion on the matter.

Mr. HANSON (York-Sunbury): Those things are pretty well fixed.

Mr. FAIR: May I ask the minister a question?

Mr. SPEAKER: The minister has exceeded his time, because there have been a considerable number of interruptions.

Mr. FAIR: Why should the farmer support this programme when he is being asked to take far less for his wheat than the cost of production? That is a direct question and I should like a direct answer.

Mr. CRERAR: That is something that can be considered in the agriculture committee after the bill is given second reading. Let me repeat that it is impossible to chart a long-time policy for wheat. We do not know what sort of world we may be living in when this war is over. If, happily, we can get the world reorganized in such a way that we can again have peaceful trade throughout the world, then I think western Canada will come back to its old place in the supplying of wheat. If this condition is not to obtain, then we shall have to consider a future programme for that large part of western Canada which has been accustomed to making its living in the past by the growing of wheat. Let me repeat that this policy has been formulated in the light of all the circumstances as they appear now. I am satisfied that it is a policy that will commend itself to an overwhelming number of the farmers of western Canada.

Mr. ANTHONY HLYNKA (Vegreville): Mr. Speaker, after listening to the Minister of Trade and Commerce (Mr. MacKinnon), to the Minister of Agriculture (Mr. Gardiner), who spoke twice, to the Minister of Mines and Resources (Mr. Crerar), and to a number of other hon. members on the government side, one cannot help but wonder whether we realize that agriculture is playing an important role in this war. The present government has met all other industries at least half way, but it has always chosen to turn a deaf ear to agriculture.

I should like to have the government tell us from whom it takes direction when it formulates its agricultural policies. I should like an answer to that question. In connection with other industries the government has acted upon representations made to it, but it has refused to do likewise in the case of the farmers. Just the other day the Minister of Agriculture suggested to the hon. member for Battle River (Mr. Fair) that he should go through his constituency and tell the people to accept the present wheat policy. Referring to the hon. member for Battle River, this is what the minister said, as reported on page 1211 of *Hansard:*

> I would say to him that any member of this house who carries back into western Canada the government's policy in relation to wheat and its policy in relation to other farm products can stand before any audience and explain to the people there that this is the best that can be done under the conditions with which we are confronted in the Dominion of Canada to-day, and the best that has been done in an attempt to settle their problems at any time.

After reading that statement and after listening to the Minister of Agriculture, I begin to wonder whether the principle of

democracy is being followed. He is asking hon. members to go out into their constituencies and tell the people what is good for them. I believe that any democratic government should take direction from the people; the people should tell the government what results they want, and then it is up to the government to get those results for the people. The government should not shove down their throats something they do not like, something against which they protest.

Agriculture is as important to our war effort as is the supply of man-power and the industries which are turning out the tools of war. As a matter of fact, agriculture is an inseparable part of our war effort. Our farmers are asked to feed those who are actually doing the fighting. They must also feed the men and women who turn the wheels of industry. According to a pamphlet issued by the Canadian Federation of Agriculture, over two million Canadians are directly dependent upon agriculture for their livelihood. An additional three millions are indirectly dependent upon agriculture. That makes a total of over five million people, or approximately half our total population. The income of our farmers in the last few years has been around 10 per cent of the total national income; it should be 33 per cent, as it was between 1926 and 1929. This leaves the farmers an insufficient amount of purchasing power to carry on and be able to contribute their maximum to the war effort; they must also provide for the education of their children, and build security for themselves so that when they reach the failing years of their lives they will not be dependent upon charity.

The government's policy as announced by the two ministers is not good enough, despite the fact that three members of the cabinet have spoken in glowing terms about it. Farmers cannot pay debts with the answers which ministers have given this house; their creditors ask for cold cash.

My humble contribution in this debate will be to place before the government the views of the constituents whom I have the honour to represent. Some hon. members may wonder why I speak of placing the views of my constituents before this house, and not merely personal views—which has been the practice of most hon. members. The explanation is this. Before leaving for Ottawa in January, and knowing that this session would be an important one, I decided to try out a bit of democracy, of which we hear so much though it is seldom practised. I called two one-day conventions at central points in my constituency for the purpose of discussing agricultural problems only. I asked both conventions to give me their instructions and promised to place their requests, or if you like, demands, before this house. That is precisely what I intend to do to-day. I wonder how many other hon. members, especially those on the government side, asked their constituents for instructions, and how many would dare put them before this house. Probably few, or maybe none, except the hon. member for Portage la Prairie (Mr. Leader). The reason is that hon. members on the government side who represent agricultural constituencies are putting their party before the interests of the farmers whom they represent. I am sure the farmers will pass their own judgment upon this attitude.

Coming back to the two conventions to which I referred, I would say that both were non-party affairs. All had equal privileges of voting, regardless of political affiliations. Over five hundred delegates attended the convention held in the town of Mundare and over four hundred and twenty were present in the town of Smoky Lake. They embodied their requests in the three resolutions which I shall read to the house. Let me read, first, the one regarding wheat. It states the points of importance probably as well as they have been put in this house:

> Whereas wheat production is the foundation of Canadian agriculture and, in turn, agriculture is the basis of the national economy;
>
> Whereas the havoc of war will create grave after-war problems, and the accumulation of adequate wheat reserves to meet the famine and pestilence which are likely to develop should be an essential feature of Canadian policy;
>
> And whereas the stabilization of wheat production at an adequate level, and the efficiency of our entire national economy and the health of national morale are dependent upon farmers receiving a price which will cover production costs and provide a margin of profit for their services to the nation;
>
> Therefore be it resolved by this non-party convention of farmers that the federal government forthwith provide for wheat prices to be stabilized at $1 per bushel at the nearest point of delivery on the basis of the average 1940 general price level and that it be varied to bear the same ratio to any rise in the general price level.

I do not think I need add anything to that resolution; it is self-explanatory.

I mentioned a moment ago something about democracy and parliament. I should like to say just an additional word or two. Parliament, in my opinion, is a body of men who are elected by the people and whose duty it is to place before the government the views of their constituents and press for results

which the people demand. When hon. members place before parliament the demands of the people, it is up to the government to find ways and means of obtaining the required result. The people do not care how this result is achieved; but if the government cannot do it, they will be replaced by another government which will. When a government gives the people something against which they are protesting, surely it cannot claim to be a democratic government. While I am on this point of democracy, listen to what Aristotle had to say about it:

> The best material of democracy is an agricultural population; there is no difficulty in forming a democracy where the mass of the people live by agriculture . . . not having the necessities of life they are always at work, and do not covet the property of others. . . . Next best to agricultural and in many respects similar are pastoral people. . . . The people of whom other democracies consist are far inferior to them.

It will be seen that Aristotle speaks highly of agriculturists. If we had more farmers in this house, perhaps the results would be different.

With regard to the primary producer, is it not phenomenal that the only people in the dominion whose markets are not protected are the primary producers? The farmer is always told how much he will get for the things he produces and he is also told how much he must pay for the things he buys. How can anyone explain this strange situation? The farmer or primary producer is again the only one who pays freight both ways; he pays freight on everything he sells and he pays freight on everything he buys. I could find in my desk a pre-election campaign leaflet to show that the government's candidate promised the people of the constituency that the present government would adjust freight rates and overhaul the whole freight rate structure. But here we are in the third session and nothing has been done in that regard. Let me stress this point. It is not a matter of advancing arguments against the government or of the minister trying to tie up somebody on the opposition side. The problems that face us are serious. Surely we must realize that half of our total population is affected by agriculture and by the income derived therefrom. The farmers have no other income, and we cannot expect them to take it on the chin year after year just because the government chooses to force down their throats some orthodox policy to which it wishes to cling.

I do not wish to blame the Minister of Trade and Commerce. I could not blame the Minister of Agriculture or even the Minister of Finance, for they are only the Charlie McCarthys of the present financial system which dictates its policies to them and, of course, they have to carry them out to the letter. I will not say much about the income of the farmer because so many have already done so. The government seems to take a good deal of credit for the increased prices on bacon, butter, eggs and other commodities that have gone up. If the government could figure out some way which would give them an excuse to take that increase away from the farmers it certainly would. That has been the experience of the past.

In the Ottawa *Citizen* of January 31, 1942, in the column "Diary of our own Pepys", this is what the writer has to say:

> All morning busy at many matters, and all afternoon, and so past six to the meeting of the Canadian Federation of Agriculture to see what I could hear about the farming situation and one of the things I heard was that in the last war the farmers got one-third of the national income and the rest of us two-thirds, whereas in this war they get only one-tenth and the rest of us nine-tenths.

And so on. That is only one little article which explains the situation. Again, in the *Citizen* of January 31, 1942, the following appears in an editorial:

> In the last twenty years the farmers of Canada have laboured under heavy handicaps. Under deflation and negative politics agriculture has suffered more than any other single industry. For one thing farm income has dwindled to such an extent that the average in 1940 was less than $600 a year compared with over $1,000 in 1929. The problem which that fact represents is not the farmer's alone; it is a national problem.

I come now to a resolution which deals with parity of prices. May I read the following resolution passed at the two conventions to which I have already referred:

> Whereas under present conditions primary producers are forced to accept open market prices for their produce and to buy goods which enjoy protected markets;
>
> Whereas this results in the prices of primary products being depressed to minimum levels with the result that the full burden of protection for other industries has to be borne by farmers and other primary producers;
>
> Whereas in addition farmers are obliged to meet the freight costs of both the goods they sell and the goods they buy;
>
> And whereas this has led to the grave injustice of the prices of agricultural and other primary products falling in relation to the general price level, thereby divesting such producers of their incomes and causing acute depression in the primary industries, which in turn threatens the stability of the entire national structure.
>
> Therefore be it resolved that the prices of all primary products, and of farm produce in

particular, be adjusted so as to bear a just relationship to the general price level at all times on the generally accepted basis;

And be it further resolved that in order to meet the injustices created by the present inequitable freight rate structure that freight rates for Canadian goods be equalized on a generally accepted national basis.

I have several other resolutions, minor ones, but I will omit them so that I may have a little more time to devote to other matters. Perhaps the government does not quite get what the farmers mean by parity of prices. There are many explanations of that point. This is what we mean; this is what I mean when I discuss that particular subject. I have in my hand a few clippings from various newspapers from which I will read the headings. Here are several:

Canadian business hits high level; Massey-Harris earns more in 1940; Consolidated Mining earns large profits; Increased profits shown in report of Dominion bank; Hudson's Bay mines profit $5,948,855; C.P.R. earnings up $1,274,000; Canadian Breweries reports $255,931 profit.

That is one side of the story. The other side is this:

Wheat buying unmoved by exports; hog production held losing game.

It is a game to them.

Western farmer faces oversupply period; farmers urged to stress quality.

Some people are not satisfied with the quality though they are getting it for nothing.

Wheat futures touch minimum.

You have the comparison right there, and that is what we mean. The farmer must get a sufficient income to be able to buy the things he needs if he is to get along; to balance consumption with production, we must have parity prices.

The next point I wish to discuss is the debt situation. The hon. member for Rosthern (Mr. Tucker) dealt with this point and I think he made a good case. The federal government has failed miserably in the protection of our farmers against old private debts. There are literally thousands of farmers throughout western Canada who have been thrust under the heels of financial dictators for the past ten years. These farmers were left at the mercy of soulless financial institutions that were going to get everything out of the farmers regardless of what may happen to them. This government believes in the sanctity of contracts; oh, yes. In fact, it believes in the sanctity of contracts above the sanctity of homes, and as a result many of our western agriculturists after having toiled for years have been dispossessed of their homes. While travelling throughout the country I have examined hundreds of cases which have been reviewed by the boards of review, and I found that in many instances the financial institutions have been charging farmers anywhere from 6 to 14 per cent interest. This government permitted them to bleed the farmers to death, and to-day it is wondering why hon. members representing western agriculture are opposing this particular measure, which will not give the farmer sufficient income to meet his obligations.

At some future date I shall deal with the debt problem at greater length. On this occasion I wish to place before the house only one resolution dealing with the debt problem:

Whereas the debts under which the farmers and other people of Canada have been struggling constitute an ever-present threat to their security and a drain on their inadequate resources;

Whereas market conditions, over which they have no control, have forced farmers to produce at prices lower than production costs, thereby leaving them no income with which to meet their obligations;

Whereas provincial debt legislation gave protection to debtors against unjust dispossession of their homes without prejudicing the position of creditors to obtain payment within their debtors' ability to pay;

And whereas the lending institutions have entered upon a course of action which has led to the said acts being declared inoperative by the courts, thereby jeopardizing the property rights of citizens and creating internal disruption at a time when this is most undesirable;

Therefore be it resolved that the federal government be urged to forthwith confer upon provinces any necessary statutory authority which will make the said debt legislation fully operative and beyond the reach of attack by the financial institutions.

And be it further resolved that the federal government be requested to adopt a general revision of debts on the basis of a reduction in the principal amount of outstanding debts by a sum equivalent to any interest payments made prior to December 31, 1936, in excess of 3 per cent simple interest.

That is the third resolution. I have here one further resolution, dealing with interest rates. That has not much to do with the Minister of Agriculture, but while discussing agriculture I believe I should put the resolution on record:

Whereas the farmers are asked to take part in Canada's war effort, and further in view of the fact that farmers' produce is being sold below cost of production;

Therefore be it resolved that this convention go on record demanding that interest on all debts be eliminated for the duration of the war.

These comprise all the resolutions passed at this convention.

I should like to deal with the debt situation more fully but my time will not permit me to do so now. I just want to say that the

present government has at all times given some excuse for not dealing with debt legislation adequately, for instance, that it would require an amendment to the British North America Act or that it is ultra vires or something of the kind. But this government found no difficulty in bringing in an amendment to the British North America Act when it wanted to put unemployment insurance into effect. The government found no difficulty in invading provincial fields in the matter of income tax and succession duties. But the government finds difficulty when it comes to helping the farmer. The government finds the British North America Act in the way when it comes to old age pensions. Those are the things that I believe the people will eventually have to realize, they will have to learn who their friends are and who are not.

The Minister of Agriculture painted the picture that conditions are going to improve after the war. Let us hope so. But here are three outstanding men who take a different view of agriculture after the war. Here is a clipping from the Calgary *Albertan* printing a statement by Leonard D. Nesbitt, publicity superintendent of the Alberta wheat pool. He said:

> If history repeats itself (and it usually does) a prolonged period of agricultural distress will follow the end of the war. Such a condition has developed after virtually every major war, and particularly during the past century and a half.
>
> One does not need to look back more than two decades to see what happened to agriculture following the first great war. Peace was declared in 1918 and two years of inflation followed. Out of the succeeding nineteen years not less than thirteen have been unfavourable to farmers, in that prices of farm products have been below the prices of other products. In five of these years the difference indicated by comparative indexes amounted to twenty points or more. In all but three of the years, the discrepancy was more than ten points. In only five of the nineteen years did farmers enjoy an advantage, and in none of these did the advantage amount to more than ten points.

Then Professor MacKenzie, president of New Brunswick university, speaking at Montreal on April 11, 1941, is reported as follows:

> Speaking of the post-war world, Professor MacKenzie said there would be "disorganization and debts and poverty and suffering . . ."
>
> "Taxation will continue," he added, "at high levels, but that in itself need not alarm us, for taxation is merely a method of transferring wealth and of making accumulations of it available for large-scale use."

The last statement is a bit more encouraging, that taxation will be an advantage.

Here is a third quotation, and perhaps the writer, Sir Edward Beatty, is just as important as any of the other gentlemen. In an article published in the Winnipeg *Tribune*, of December 31, 1940, he said:

> We hear much talk of the social changes that are to follow upon the end of the war. I venture to suggest that the economic changes then experienced will prove more imperative and more immediately effective than any other. It is altogether probable that we shall move into a world that is much poorer than it has been over many generations, and this will apply not only to the fighting nations. For some time to come the countries to which Canada sells products of farm, mine, forest and factory may not be able to pay high prices for their purchases, even though they be in urgent need of the commodities supplied, and it may easily be that our methods of production will have to be raised to new standards of economic efficiency.

These three statements, uttered by men occupying important positions, should perhaps warn the farmers that they had better get matters adjusted for themselves now, otherwise they may find themselves out on the road.

I should now like to say just a word or two about the farmer delegation which visited Ottawa. It is a pity that in time of war there should be even the need for any such delegation. The $35,000 or thereabouts, spent to bring the delegation to Ottawa to plead with the government could have been used to better advantage; but the policies followed by the government during the past ten years—not only by this government but by the one that held office previously, because, after all, there is no difference between the two—placed the farmers in such a position that they were forced to come all this long way in order to make their representation. Personally I would think the best thing would have been for these delegates to see their own members of parliament; to present their demands to them and say, "We want you to bring these matters before the government, and we want results." Believe me, they would have had a number of them climbing up a tree.

In the estimates for 1942-43, tabled a short time ago, I found some startling things. Substantial increases were shown under several headings. Interest on the public debt, and other debt charges, call for instance, for an additional $17,414,000. But there are large decreases in several departments, notably the Department of Agriculture, where the 1942-43 appropriation of $18,508,016 is $30,059,352 less than for 1941-42. Provision for maintenance of prairie farm assistance and rehabilitation measures also was contained in the estimates. Prairie farm rehabilitation and water storage expenses are cut $500,000, but the allocation under the Prairie Farm Assistance Act remains the same at it was last year. The largest reduction was in the amount for wheat acreage reduction payment, $5,225,000 this year as against $35,000,000 last year. Other decreases

are seen in the estimates of the Department of Pensions and National Health, from $56,799,492 in 1941-42 to $54,839,093 in 1942-43. Then there is a decrease of $573,500 in the cost of old age pensions and pensions for the blind, with $31,372,500 being allocated as the dominion's share of such pensions.

I have the honour to represent the constituency of Vegreville, where we have some of the best young farmers of the west. On several occasions they have won prizes at the International Live Stock Exposition, and following the exposition this year the Associated Press sent out this dispatch:

> William Skladan, Andrew, Alberta, kept the oats king title in Canada, with Alex Stewart, Ailsa Craig, Ontario, a former king himself, as runner-up. Dominion exhibitors have won the oats award fourteen times in the last twenty-one years.
>
> Paul F. Pawlowski, Vilna, Alberta, who was the oats king last year, lost out in that division but won himself another crown, that of barley king, with Tom Mynzak, Desjarlais, Alberta, as runner-up.

Then it goes on to say:

> Highest award to Canada was that of wheat king, won by William Miller of Edmonton, with R. P. Robbins, Shaunavon, Saskatchewan, as runner-up. Canadians have won this title every year since 1928.

The oats king of last year, and the present oats king, both live in the constituency which I represent; yet the strange thing is that though these young farmers win trophies for their wonderful work, they can hardly make a living on the land.

I am sorry that my time is slipping away so quickly, and I shall not have time to deal with other matters of which I should like to speak. In closing, I should like to say that I am glad the government has given consideration to the postponement of military training for farmers' sons. I have had a great number of letters from older folk in my constituency, where perhaps the only son in the family is called up for military service, leaving behind the parents who are over sixty years of age and unable to work the land. Surely in such cases consideration should be given, and these young men should be released for spring seeding and other work.

I believe the hon. member for Rosthern dealt very well with the question of the Atlantic charter, so I need not touch upon that matter on this occasion. I should like to add, however—though I do not know whether the word "oomph" is parliamentary—that if the government had put enough "oomph" into its policies and efforts, I think it could have done a great deal more than it has done. It surely has a great deal of

[Mr. Hlynka.]

"oomph" when it comes to political contests. I have never personally met Mr. Arthur Meighen, but he surely must be a terrible man judging by the way he was described in this house. Why, we spent weeks and weeks fighting an election right here in this house, at public expense, getting free publicity. Surely, if there is nothing to be afraid of, the government need not have been so scared.

Mr. G. H. CASTLEDEN (Yorkton): Mr. Speaker, if the continuation of this debate were to interrupt for one moment the conduct of the war, despite the fact that I do know something about the morale and the condition of affairs on the prairies I assure you I would not occupy the time of the house. I do believe that a people's morale, and their feeling toward their government is important at a time like this.

I was interested this afternoon to hear the Minister of Mines and Resources (Mr. Crerar) tell us about his long association with the grain trade, the grain growers and the grain business. Before he had finished I was tempted to ask him whether in recent years because of their terrific suffering they had been able to get members of the grain exchange off relief in Winnipeg.

It is unfortunate that the bureau of statistics does not publish facts and figures concerning prices paid to farmers for their grain, and prices finally received by those who sell the grain in the markets of the world. I, too, have been associated with the growing of grain in western Canada since the beginning of the century, and I know something about grain growers' problems, because I have lived among grain growers. Apparently the minister has lived more in company with those who operate on the grain exchange.

I was sorry to hear the minister point out or even imply this afternoon that there seemed to be some discrimination by one part of Canada against the other parts. In my observations to-day I do not speak only of western agriculture. The amendment moved by the hon. member for Weyburn (Mr. Douglas) has dealt with parity prices for all agriculture—agriculture across the whole dominion. I believe I can speak of agriculture across Canada, because I have been on farms in all but one of the nine provinces, and I know I am stating the truth when I say that agriculture to-day is not receiving parity prices.

Judgment will no doubt be finally passed by those western agriculturists and grain growers in western Canada whose rights the minister was supposed at one time to champion. They will compare the condition of agriculture with the present dismal plight of the grain exchange and of the minister himself.

The amendment before the house states, in effect, that the disregarding by this parliament of the representations made by western agriculture for a parity price for all agricultural products, and of the payment of at least $1 a bushel as an initial price, is contrary to the peace, order and good government of Canada. The resolution deals with the presentation made by western agriculture for a parity price.

I would draw to the attention of hon. members the fact that the parity price is not a cost-plus price; rather it is merely a cost price. The demands for bonuses and other types of assistance would not come at this time if the cost price had existed in the past. The core of the request from western agriculture is the idea of parity, but it should not be taken for granted that the delegation was against bonuses.

The hon. member for Rosthern (Mr. Tucker) tried to leave the impression in the house that the people were divided, that one group was asking for a bonus on a bushelage basis while the other was asking for one on an acreage basis. That is an unfair suggestion, because I do not believe that at any time the delegation made any such submission.

Mr. GARDINER: One of the spokesmen did.

Mr. CASTLEDEN: In the memorandum submitted it will be found that they were asking for a continuation and expansion of the principle of the Prairie Farm Assistance Act. I believe the government has done that. There are new bonuses by order in council —though heaven knows how long they will last. Payments made under the wheat acreage reduction bonus are a form of income insurance. The request for a parity price is a request for a fair wage, and that is about all. I suppose we could call the bonus a form of unemployment insurance, the only difference being that whether or not the farmer gets a crop he must still do the work. The income insurance is protection against receiving nothing for the work he does.

The delegation was one of which I say Canadians might well be proud. It was one consisting not only of agriculturists, but including people from almost all walks of life, people representing almost every phase of economic life in the western provinces. There were mayors of cities, reeves of municipalities, clergymen, teachers, storekeepers, businessmen, and the legislature of Saskatchewan was represented. Anyone hearing them was at once convinced that they were speaking with the calm assurance of people asking for justice. Their cause was a just and righteous one, and one which gave them strength. In my opinion the only reason why we did not have a similar delegation from all the provinces, was that agriculture is not organized across the dominion. If it were organized effectively across Canada there would have been deputations from all the provinces. I would like every hon. member to realize that those people would not have come to the capital city at this time, a time when our nation, our empire and democracy is in danger, unless they were filled with the righteousness of their cause, and knew that conditions were desperate. That is positive proof that there is something deeply wrong with agricultural economy in Canada.

From the evidence submitted by the delegation it is clear that a continuance of conditions in western agriculture will undermine the whole economy. I am sorry the Prime Minister (Mr. Mackenzie King) has not seen fit to make a statement to the house respecting this matter, because he was very much in evidence during the time the delegation was here. Ministers of the crown who met with and spoke to the delegation admitted that the case presented was fair and reasonable.

Unless agriculture can obtain the cost of production, it must be condemned to tenant peasantry. If one cannot get the cost of production from his work, then the industry with which he is connected is headed for bankruptcy. Agriculture has been headed for bankruptcy for so many years that the fault is deep-rooted. Anyone who knows about the debt situation of agriculture in western Canada will know that it carries a debt load of about $800,000,000. The destruction of our ownership of our homes will be the natural consequence of a continuation of this policy. The home is the foundation of any country. No people ever rose in the scale of nations if they let their agricultural economy sink to a level where the people could no longer live decently in homes of their own. Sixty years ago from seventy to eighty per cent of the people of Canada used to live under the healthy conditions of their farm homes, but now probably not more than forty per cent live on the land. This is a sign of inward decay of the nation. Migration of people from the farms to the city is a dangerous sign of decay. It should not be permitted in any nation; it should not be permitted by those who claim to be the governors of that nation.

It is not that people do not want to live on the farms, because they enjoy living there. If you will give some form of security, the people will live there. Something drastic will have to be done sooner or later to change our economy and make it possible for these people to live decently. The decision of the cabinet and the wheat committee, whoever they are, not to grant a parity price is merely a sacrificing of these people. We are destroying their last vestige of hope. Apparently the grain exchange is to continue. Apparently

the packing plants and the packing houses are to continue to fatten upon the live stock brought in by the producers.

The farmer finds that he is losing whatever equity he had in his farm. He is finally forced to give up the lifelong struggle to keep his head above water. Every two or three days I receive communications from people in the west telling me of foreclosure actions against their farms. In some cases the sons who had kept things going as the parents got older have enlisted. I ask hon. members to consider how these boys in the forces must feel when they receive word from their parents at home that they no longer own the land. They are fortunate if they are allowed to stay on as tenants of the mortgage companies. It is much worse when the older people are turned out and have to depend upon charity.

I cannot understand why we should have to plead on the floor of this house for a parity price. It is only common justice that this should be given; it is the very essence of justice and fairness. It should fall like the rain and the sunshine upon everyone; it should be a recognized right. A continued lack of parity prices has left the farmer in a position of debt. I think I am quite safe in saying that for the last twelve years agriculture has not received its cost of production. As has been said by almost every speaker, the debt situation in the country is intolerable. There is something fundamentally wrong with a system which permits debt to rise.

A farmer requires a certain amount of capital to carry on his work of production, and he must give also the labour of himself and his family. Both of these should be rewarded if there is any production. The farmer uses the labour of his family and himself to produce, and the capital is used to buy the machinery which is needed for production. But if, because of circumstances beyond his control, the farmer loses his crop by frost, drought, hail, grasshoppers, rust or some other calamity, he receives no return for his labour that year. The farmer gets absolutely nothing for his labour, but with the institutions as they are organized in this country, capital receives a reward that year. If the farmer cannot pay his interest, then it is piled on to the debt, and the next year he is penalized for not having produced the year before when it was not his fault that he could not. That same year the machinery produced no wheat, but the next year or the year after, the farmer must pay double toll. The reward of capital is too great while the reward of labour is negligible. This accumulation of debt is crushing this industry.

The debt legislation that we have in the provinces does not meet the problem at all. Even though parity prices were granted, I do not believe the farmers of western Canada in the next ten years could work their way out from under the burden of debt that is placed upon them. But when the administration says that they will not recognize the claims to parity, then there can be no hope because the cost of production is not there. The burden of debt will continue and it will pyramid. This problem will have to be met. I think in war time the government should at least recognize that the solving of this problem is an essential step in the peace, order and good government of this country.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. CASTLEDEN: Immediately before the dinner recess we were discussing the failure of the government to regard the presentations of the delegation from the west. I want to draw attention to the fairness of that delegation and the good faith which they showed in agreeing that the definition of a parity price of wheat in the west should be decided by the dominion bureau of statistics. In speaking on this matter, the Minister of Agriculture (Mr. Gardiner) attempted to prove that the government had not disregarded the presentations of the delegation, and I am going to turn to some of the statements he made to give an idea of the method of proof which he used.

To give the devil his due, I must say in all sincerity that we have had already some concessions from the government. For one thing, they are going to submit the subject of agricultural legislation to the standing committee on agriculture and colonization. It will be quite a new experience for this committee, because it has not met since 1939, and therefore has not considered agricultural policy during the life of the present parliament. Also, price floors have been placed under certain commodities.

The type of argument to which I object may be illustrated by the minister's statement as recorded in *Hansard* of March 10, page 1204. Such an argument, I contend, is fallacious. Here is what he does: he places a table on the record giving the average prices of certain cuts of meat in 1926-29, the highest price in the period which set ceiling prices, and the increase above the 1926-29 level; he quotes the prices for round steak, rib roast, shoulder roast, stewing beef, veal shoulder roast and pork fresh leg roast. I do not know why the minister has seen fit to take retail

prices of meat as an indication of what the farmer is getting for his products. In every one of the items he mentioned there is an increase above the 1926-29 level. I maintain that what he should have put on the record are figures showing the average farm prices of hogs, cattle and calves during the 1926-29 period, and the average farm prices for the same commodities from 1939 to 1941. Had he done so, this is what would have been found. I got these figures from the bureau of statistics; they were used by the bureau in determining Canadian farm income over a period of years:

Saskatchewan

	Average price 1926-1929 cents	Average price 1939-1941 cents	Decrease per cent
Hogs	10·2	7·7	25
Cattle	5·6	5·29	5
Calves	7·1	6·5	8

If you take the Manitoba prices for the same commodities, you find practically the same rate of, not increase, but decrease.

These figures prove a few rather interesting things. They show that the farmer got less in 1939-41 than in 1926-29, whereas the consumer paid more, and that the increase in consumer prices means one thing, namely that the packing companies are cleaning up on the "in-between". Here, in his own words, is what the minister used his figures to prove:

I give these in order to indicate that the government has not disregarded the farmers' desire to have parity prices.

If that is the method of proof he uses, all I can say is that figures do not lie, but lawyers do a lot of figuring.

Mr. DOUGLAS (Weyburn): Why lawyers?

Mr. MacINNIS: Because the other word would not be parliamentary.

Mr. CASTLEDEN: To show that the government has disregarded the parity price, I quote what the minister said as reported at page 1211 of *Hansard:*

On every one of these farm products, except wheat, we have been able to satisfy the farmers of Canada. I only need to say that the activities of this house during this session indicate clearly that the situation in relation to agriculture in Canada is very different to-day from what it was when this house met in any other session since the war started. We only had one persistent delegation this year asking for something more, namely, the wheat delegation, and they came only because they are the only farmers in Canada whose problems have not been grappled with successfully down to the present time. But just as soon as conditions under which we are labouring, with a world war on, are such as to make it possible the problems of the wheat farmer will also be dealt with to his satisfaction.

Well, he had power before there was a war on, and we know the result. This kind of promise of what is going to happen in the future is the sort of thing that agriculture has been starving on for far too long.

With regard to the Minister of Trade and Commerce (Mr. MacKinnon) and the advisers of the government's wheat committee—the grain board—I believe a decision has been made that they will not recognize parity prices for wheat.

A number of abuses have crept into the administration of this department which, I think, should be wiped out. I have in mind, for one thing, the operations of the car allotment committee, which set out deliberately to discriminate against the cooperative wheat pool and force its business to the grain trade.

There is also the matter of storage of grain in privately leased elevators. The Dominion of Canada built these terminals at a tremendous cost to the country, and then, instead of operating them and controlling them, leased them to grain companies, members of the grain exchange, at rentals as low as $72,000 or $73,000 a year, that figure being accepted for the use of an elevator holding three to three and a quarter million bushels of grain. When we ask how much this particular grain company received in storage fees—paid, I suppose, by the grain board—we are told that the figures are not available. Why are they not available? Whose money is it? Whose elevator is it? All you have to do is figure out the storage on three and a quarter million bushels at eight cents a bushel per annum; it amounts to about $260,000. This kind of thing is not good enough. We permit the grain companies, some of them with offices outside the dominion, to make hundreds of thousands of dollars by storing Canadian wheat in elevators belonging to the Canadian people. Yet the department refuses, or has refused, to allow the farmer a storage allowance for storing his own grain on his own farm in a bin which he built for himself.

This is the sort of thing that destroys the confidence of the people in those who are administering their affairs. Effective steps should have been taken in all of these fields to prevent the exploitation of western agriculture, and then the western farmers would have felt that the government was sincere in trying to carry out something in the way of reform for them. I think the decision not to give the farmer parity price for his wheat reflects the real loyalty of those responsible for this legislation. It is not loyalty to western agriculture, nor is it recognition of the justice of their

cause, or recognition of the rights of those who toil; rather it favours the exploiters of those who toil; it favours those people who can take advantage of the unorganized condition of producers and consumers. They exploit labour wherever it is found, from east to west, from coast to coast.

The result of the whole thing is that the people who will clean up on this situation will be the mortgage companies and those who to-day are obtaining legal title to land and to the homes of the people in the west. Their plans are plain. What they intend to do is to take hold of the legal right to property and farms in the west. When you find 80 per cent of the farms mortgaged or owned by mortgage companies, the farmer unable to pay off that load of debt, and the companies foreclosing and getting control, you can see what the situation is like. When the war is over, I presume another army of people will be imported into this country from war-torn Europe to settle on this land owned by some financial concerns with their head offices in Montreal or Toronto, and the immigrant will be loaded down with a burden of debt—tenant-peasant, slum schools, people not owning their own property, people without freedom and without security.

If the time ever comes when western agriculture can again be placed on a basis where it pays, I do not believe that many of those now on the land will have anything to say with regard to the ownership of that property. These people, in trying to solve their problems, have worked in a cooperative way and have been successful to a large extent in wiping out some of the abuses in the handling of elevators at country points. I was rather sorry to hear the hon. member for Wood Mountain (Mr. Donnelly), who the Minister of Agriculture said should be minister, make the statements he did. I quote from the hon. gentleman's remarks, as reported at page 1183 of *Hansard:*

> The other day I picked up a financial paper and looked it over, and I found that a pool elevator with a capital of $18,000,000—$12,000,000 received from the farmers for elevator deduction and $6,000,000 for reserve—had declared a profit of $3,000,000—16 per cent. I want some of our financiers over there to tell me what they think of that. If that is not high finance, what is it? . . .
>
> I belong to the wheat pool and I have not received much of it yet. They do not pay any income tax or excess profit tax. How much did they take away from it in order to start an insurance company? They have some of my money. Can I get my capital back? You know we cannot. When I die my estate will get fifty cents on the dollar.

It would be a splendid contribution to a good cause, and I am sure he will be rewarded in heaven when his estate is settled, though daily I have been expecting to hear of his being called to "another place."

Mr. HOMUTH: They do not use money there.

Mr. CASTLEDEN: I refer to another place near here. I would point out to the hon. member for Wood Mountain that the $3,000,000 he speaks of is made up in three ways: $900,000 of it represents patronage dividends paid to those people who send their grain to their own elevators. Some years ago they overpaid the farmers several million dollars; the provincial government came to the assistance of the wheat pool, and they are paying back every year $1,100,000 of that money. That is a portion of the $3,000,000 profit. The other $1,000,000 was used to build temporary storage to assist these congested elevators. The true loyalty of those responsible for the policy of the government at the present time is shown, I believe, completely in the legislation.

There is not very much doubt that the money which will be used to pay for the wheat that we are expected to export this year will come out of the financial arrangement in connection with the billion dollars representing a gift to Great Britain. We are all in favour of that; but if this gift is to be made by Canada, then all Canada should share in it, and all the people should take part in the payment so that the producer should not be called upon to pay an unfair share. He is engaged in the lowest paid industry in Canada.

This bill fails to recognize the principle of parity prices, the principle laid down by the western delegation. That delegation—and I wish hon. members to bear this in mind—in their final statement to the government said in effect: "We did not come down here to compromise. Our representations are fair, just and reasonable. This is the minimum. We are not asking for cost-plus; we merely want cost". If the policy laid down by the government is adhered to, then I say it is a bad policy, bad for agriculture, bad for the morale of the people at this time, and bad for our cause. I maintain, therefore, that it is contrary to the peace, order and good government of the country, and I urge every member—and surely half of the members of this house represent, at least in part, agricultural communities right across the dominion—to vote for the amendment and ask the government to bring in an amended bill which will recognize the principle of parity prices for agriculture.

Mr. J. A. BRADETTE (Cochrane): In view of the fact that in the last twenty years the section of the country which I represent has witnessed greater agricultural development

than any other part of Canada, I do not think I need offer any apology for speaking on these two bills which are up for second and first readings respectively. Before going any further, however, and without indulging in any heroics, I would refer to the statement that has been made by the hon. member for Laval-Two Mountains (Mr. Lacombe), that he was debarred from speaking last Friday. Even a few newspapers in the province of Quebec and one French-speaking paper in Ontario have tried to create the impression that the hon. gentleman was martyred, that he was fleeced, or robbed, of his right to speak.

Mr. LACOMBE: I rise to a point of order. Under standing order 41 I would ask the hon. gentleman to withdraw his statement.

Mr. BRADETTE: I see no point of order whatsoever. I made no insinuation about the hon. member. I just stated what some newspapers tried to make out, that he was deprived of his turn, or robbed of his right to speak.

Mr. LACOMBE: It is not an insinuation; it is more than that. It is an affirmation from the hon. gentleman. He has no right to discuss your ruling given last Friday, Mr. Speaker.

Mr. BRADETTE: For the peace of mind of the hon. member I must make this statement. On Tuesday of last week I was supposed to speak on this bill; then the whip asked me to wait, and I have been waiting all these many days. I hope that these newspapers state that I have been put out of my rights and privileges as a member of parliament or that I have been treated unfairly. There are certain ethics that must be observed by members of parliament—

Mr. LACOMBE: Mr. Speaker, I rise to a point of order. The hon. member is absolutely out of order. We are discussing a bill concerning wheat, not the privileges of the hon. member.

Mr. BRADETTE: There are in this House of Commons 245 members, and the hon. member knows well that it is impossible for them all to speak on the same day or even in the same week.

Mr. LACOMBE: I rise to a point of order. The hon. member is absolutely out of order, he has no right to discuss your ruling.

Mr. BRADETTE: I have the honour of having been born in the province of Quebec, although the largest part of my life has been spent in Ontario. I shall always cherish my connection with my native province. I believe it is my duty to mention here and now that I fully understand and realize what my native province has done in furthering our war effort and the magnificent efforts she has made. Yet I resent very strongly seeing some of my compatriots in Quebec province choosing this time to urge their grievances on the floor of this house, and trying to wash their linen here. The position of the minority is never very pleasant; we always feel a certain natural uneasiness. But speaking as a member of a minority in the province of Ontario I say very sincerely that never on any occasion has any reflection been cast upon me for my racial affiliations. I say that with deliberation, conviction and in all sincerity. However, it is true that, as a majority has some obligations, the same rule must also be applied to a minority. As one of French descent I shall never try to besmirch the reputation of any man in public life in my native province. Never at any time have I said a word of disrespect against the authorities of my province of Ontario where I now live. In any other province members of a minority group owe it to themselves to give no cause for unfair criticism of the people of the good old province of Quebec, and they should, of necessity, at least try to respect their own public men.

Regarding this bill, and speaking particularly of western agriculture, I always find the western members most refreshing in presenting their viewpoint. For the last sixteen or seventeen sessions that I have had the privilege of sitting in this house we have had a repetition of that discussion, which to my mind is national in its scope and very constructive. It is true that sometimes overstatements have been made, but that is only natural when one recognizes the ruggedness and vigour of western politics. To me it is always a revelation and an education. It also gives a chance to members from the east and south and the agriculture of eastern Canada to enjoy on the floor of this house that fine, cool and invigorating, vital breeze from the western plains.

I believe it was stated last Friday by the hon. member for Lake Centre (Mr. Diefenbaker) that the measure brought forward by the Minister of Agriculture (Mr. Gardiner) smelt very much of politics, or something to that effect. I have always been a great admirer of the present Minister of Agriculture. The farmers of my section of the country believe he is one of the best we have ever had. They have confidence in him to help solve not only some of the problems of western farmers but the problems of agriculturists all over Canada. If he had wanted to play politics with that bill, it would have been just as easy for him

to ask for $1.10 as for 90 cents. But he shows himself to be a practical man, a real Canadian and a real statesman who fully realizes and appreciates his responsibilities.

The hon. member for Weyburn (Mr. Douglas) has an amendment before the house asking for $1 a bushel for wheat at Fort William. The hon. member for Portage la Prairie (Mr. Leader) was speaking on Friday afternoon when he said he thought that that amendment smelt of politics, and the answer from the hon. member for Weyburn was, "That is not fair." I believe the hon. member was absolutely sincere, but surely that amendment and the legislation brought in by the Minister of Agriculture must counterbalance one another, and shows that there is no politics as far as this problem is concerned. If I thought for one moment that they were playing politics with western agriculture, I should be quick to criticize the government. But I believe in the sincerity of mankind, and surely when we are discussing the problem of the farmers of western Canada we should be ready to go at least halfway with one another here.

I have always admired the sincerity of the hon. member for Portage la Prairie. Last Friday he said he was going to fight for one thing and one only, namely $1 a bushel for wheat. The farmers in my section of the country are fighting at the present time for higher prices for potatoes and hay. Remember that for years we lost tens of thousands of tons of hay, could not even give it away on account of distance and lack of markets. We felt very strongly that the federal government was not treating us properly. Farming is the greatest industry in the world. I sincerely believe that with the price for wheat proposed by this legislation they are entirely satisfied; they are loyal enough Canadians to accept it at least loyally if not joyously.

Do not think for a moment that our eastern or northern Ontario agriculturists have all their problems solved. Some mention was made of the conveniences Ontario farmers enjoy. I agree 100 per cent that they should have such facilities as running water and electricity and more modern commodities, but in my section of the country—and mind you this is in Ontario where the hydro is owned by the province itself—the great majority of our farmers, after forty-five or fifty years of farming, have no electric power for their homes. We bear with this, hoping that, after this conflict is over, the time will not be far distant when at least some of these conveniences will be supplied to our fine agricultural population. I know that in saying this I am speaking to converted members of parliament, including the representatives of the west who will say they should get that and more. A year and a half ago I read an article in the Winnipeg *Free Press* saying that an hon. member in the southeast corner of this house was asking the government to give the farmers at least $2 a bushel for wheat. That hon. member no doubt was sincerely and honestly convinced that that should be the price. But the Winnipeg newspaper said that people must be practical with your own people and also with the rest of Canada. No doubt at 90 cents a bushel basis No. 1 northern at Fort William there is no large amount of money in growing wheat, but under the circumstances with bonuses, to me that price seems to be very acceptable. The same also applies to barley at 60 cents, oats at 45 cents and flax at $2.25.

Every citizen of Canada must be thankful to western agriculture because of the fact that we have a surplus of wheat and coarse grains. If at the present time we are frequently accused of not knowing there is a war on, to a large extent this is due to the fact that we have all the wheat, flour and bread any person or family can use; we have all sorts of grain for the feeding of hogs and cattle, which results not in a false atmosphere but in a situation which finds the country certainly very generous and comfortable to every citizen. We also hear it said that the government has not been sufficiently courageous. I do not believe there has been a government in any part of the civilized world that has tackled a great problem with the courage and logic that the present administration has exhibited in dealing with the wheat problem. I say this as an easterner, not as a politician, because last year a great many newspapers in sections of Canada other than the western provinces argued that wheat should not be pegged by the government, that there practically was no solution of that problem. This year again we saw many newspaper editorials almost making a farce of the situation, and saying the government, without a thorough study of the situation, was going to accept the requests presented by the delegation which came here from western Canada.

All these things make one realize what the government has had to face. I believe the federal government has been very courageous indeed in curtailing to a large extent the acreage of wheat grown. This is something that has been done in a sincere and fearless way. It was also refreshing to hear, during the present discussion, the Minister of Agriculture and the Minister of Trade and Commerce (Mr. MacKinnon) make the statement that other things would be done in connection with wheat and coarse grains in the west from time to time as conditions changed and new policies were warranted.

Every member of this house has some connection with the rural population of Canada. We all realize that during the last twenty-five years our agriculturists have been going through the same evolution that the rest of the world has experienced, and that the problems of agriculture have become more and more acute. We in the newer sections of the country, in the younger districts, went through seven years of the deepest depression. During that period 90 per cent of the farmers in the township in which I now live were on direct relief, and in many other parts of northern and southern Ontario the situation was not quite as easy and comfortable as some hon. members from the west seemed to think. But we believed implicitly, not particularly in the idea of compromising but in the principle of every member of this parliament coming here and studying the great problems of the western agriculturist, thoroughly, impartially and with a national outlook. I well remember that in my youth a good many people from the old province of Quebec moved to the west, which at that time was the promised land not only of this continent but of the world, the bread-basket not only of Canada, not only of the Americas, not only of the British empire but of the whole of the civilized world. Some of the dreams we had then came partly true; but there was also at that time some over-optimism, which really is at the root of some of the discussions and problems that the west is having to-day. No doubt we shall continue for many years to pay the price of that over-optimism, because in those days we could visualize this country with at least fifty million people by 1950; it was Canada's century, as Sir Wilfrid Laurier said at the time. Those who went west built up provincial government services and wonderful public utilities; and this is neither the time nor the place to criticize that optimism, which was absolutely warranted at the time, but of which there is bound to be a "morning after," and a price aftermath to face.

We had a somewhat similar situation in northern Ontario. I remember that in 1909 I bought some property in a subdivision two miles from the centre of my home town. I have been paying municipal taxes on that property ever since, but instead of growing the population has been dwindling. I should not be criticized for that. I was also sharing the optimism of my time. In my own part of Ontario we wanted a railway connecting with tidewater at James bay; the farmers of the west wanted the same thing. I am not here to criticize the Churchill railway, because no party, no government and no parliament could have opposed the construction of a railway from the western provinces to Hudson bay. Yet those costly developments never came up to expectations. Those were days of optimism, but we must be realists in these realistic times, and one has only to read the Sirois report to see the problems that are faced at the present time by the fine population of the three western provinces.

Sometimes, naturally, those of us who belong to the older parties in this house have been inclined to be more or less—more rather than less—impatient with certain political eruptions that have occurred periodically in the west. If a person takes the trouble to study the main causes of these eruptions, it will be found that in most instances it has been the agricultural situation, no doubt aggravated by that overoptimism to which I referred a few moments ago. But that does not mean that the rest of Canada should ignore these movements. Apart from the social credit movement, which was purely an economic or monetary reform movement, all the other movements have been due to the uneasiness brought about by a lack of prosperity on the part of western farmers. We have seen the Progressives, the United Farmers of Alberta—

Mr. FLEMING: What about the political uprising in Ontario?

Mr. BRADETTE: It was due to agricultural conditions, also. As the hon. member for Humboldt (Mr. Fleming) has said, a few years ago we had an agrarian movement in Ontario which was called the United Farmers of Ontario. Again, the reason for that political movement was the fact that Ontario agriculturists were not prosperous and felt that they were not getting a fair deal. That is why I say we must be indulgent with these movements and try to comprehend them. It is no use trying to put them aside with a wave of the hand; that will not be sufficient. They will not disappear that way. We must get together with these people, try to study their political theories and philosophy to see their viewpoint; and in most instances, if we go to that trouble, it will be possible to find a common solution to our problems, or at least more tolerance to their approach. The difficulties facing this country will never be solved by a simple equation or by simple mathematics. A solution can be found only through a thorough study, from the proper angles, by all sections of our population, industrialists, financiers, political leaders, farmers, labourers and all others. During the present debate a little heat is sometimes generated when one speaker says something against some other group in this house; but all through the discussion I believe we have only one end in view, namely, a solution of the prob-

lems with which we are faced at the present time, and more illumination of that all-important problem.

The hon. gentleman who preceded me, speaking of the agricultural problems of the west, said that perhaps after this war we might have a large number of people trying to enter this country. One of the great problems at present facing Ontario and Quebec, as well as the western provinces, is the fact that we have not sufficient machinery to look after our own natural increase. At the present time, in the Abitibi region of Quebec, which is adjacent to the part of Ontario in which I live, one of the greatest experiments in land settlement the world has ever witnessed, with the exception of the migration from Egypt, is being carried on. I believe it has been relatively successful up to the present, though perhaps not to the extent that might be wished; but I believe that experiment should be closely studied, because it may be of great help in solving the problems with which the province of Quebec is faced at present and the world itself may find itself confronted with after this conflict. But in that province we also have this situation, that within the next thirty or forty years not more than half a million more people can be fruitfully placed on the land because even in Quebec they know the limited acreage of farming land that they have left.

When I read the Sirois report I was astonished to learn from it, through the evidence of Professor W. J. Waines of the university of Manitoba, that so far as the population of the three western provinces is concerned we have practically reached the saturation point. I should think that with the development which has gone on in twenty or thirty years there would be practically no more space to fill up in the three western provinces. If my information is correct, only about eighteen million acres of land in those western provinces are fit for cultivation, and a lot of that is sub-marginal. Therefore on that score alone one can easily see the turmoil and the travail of the western deputations who are discussing the problem of agriculture, and the time may not be far distant when the west will have to go into subsistence farming.

At this point I should like to say a few words about the delegation which was in Ottawa a few weeks ago. My personal belief is that it was one of the finest movements of farmers this country has ever seen. Everyone will admire them, and particularly when we remember that these large and small rural municipalities which suffered so much during the depression, which have suffered from drought during many years, and from debts, found it possible to raise a sum of money large enough to send to Ottawa a delegation so representative and in such large numbers. I believe, however, that if they had seen their own good, clean-cut and active members of parliament discussing their problems, with the vim and fervour that they always display, they would have realized that the question of agriculture was being well handled and brought before national attention on the floor of the house.

When I say that the western members are vocal I do not make the statement disparagingly. It is their duty as impartially but as strongly as possible to bring before the house the great problems they face. But I make this one appeal; I want you to give us a chance to appreciate and understand the problems of others also. I must say, however, that I will vote against the amendment of the hon. member for Weyburn (Mr. Douglas) for the very good reason that I cannot see the necessity for it. He might just as easily have asked for $1.10 or $1.20 as have asked for $1. That 10 cents would mean an awful lot to the farmers in the three western provinces, or to farmers in Ontario. At the same time, however, the hon. member for Weyburn is a logical and practical individual, because he has been dealing with spiritual matters, and also with matters of the body, and he knows that all our wishes cannot come through.

I say we cannot always get what we want in this world. I know I have always applied that principle to myself. We have to be reasonable and fair. The western agriculturist is as great a realist as you will find; he is just as practical as any other man in Canada. The delegation was well received—in fact I believe it was received by the Prime Minister (Mr. Mackenzie King) and by several cabinet ministers and members of parliament. I had the pleasure of meeting quite a number of those who came, and I was agreeably astonished to see the number of French-Canadians in the group. Among the French-Canadians —I believe there were twenty or twenty-four of them—there were three or four Belgians. How proud I was to see their intense Canadianism and their great pride in affiliation with us!

When we are dealing with this subject we ought not to bring any politics into it. The hon. member for Lake Centre (Mr. Diefenbaker) said the other day that he believed there was politics in this kind of legislation and the reception of that delegation. If I wished to enlarge upon that angle, I would remind the hon. member of the discussion which took place in 1931 with respect to the

imperial trade agreement with Great Britain. I was in Ottawa at that time, when a large delegation of agriculturists from Ontario and Quebec came to Ottawa to wait upon the then Prime Minister. Without attempting to criticize his action—because I know he was very busy—I must point out that no government official met the delegation which came in those days. If the western agriculturists have their problems now, certainly the Ontario farmers had problems to face at that time, just as they have many grievous ones at the moment.

In what I am about to say I am reminded of the plans of mice and men. Last year some of our eastern agriculturists were very much concerned with the feeling that growers of coarse grains in Ontario would be met with a flood of cheap coarse grains from the west. Well, the farmer always works with providence, and in most instances providence is kind—but not always provident. In Ontario last year on account of drought conditions we had a very short crop of coarse grains, and we were very glad indeed to get the coarse grains from the west so as to carry on in Ontario. That makes us realize that in dealing with agriculture we are not dealing with something that is stationary but rather with something absolutely dynamic and always movable and changeable.

For instance, we are sometimes confronted with the suggestion—one concerning which I wish to be enlightened—that grain is one of the commodities which can be stored with the greatest facility and the least possible loss. I do not believe that is true. I have done considerable grain dealing in my part of the country, and on many occasions I have found that because of a change in the temperature, a wet season, or for some other reason, grain will deteriorate fairly intensively and rapidly. I believe that in the west at this time, no matter what some hon. members may say, there is bound to be some wear and tear, some loss on wheat that is stored and, in many instances, heavy losses and deterioration.

The other day I read in a newspaper about the multiplicity of insects which are now taking hold of much of the wheat in storage in the western provinces. That fact alone makes me realize that in all the plans we make, using our old standards, we find great difficulty in applying them to new situations, and unforeseen difficulties will have to be surmounted. I always pride myself in my open-mindedness in dealing with matters pertaining to the west. It is true that in our section of the country we are in a position to know something of the different municipalities in Ontario, and it is equally true that we know an equal amount about the capitals and the large centres of population in Manitoba, Saskatchewan and Alberta. We are served by a daily and weekly press not only from the east but from the west, and I believe that on that score alone we are in a position to know as much about western as we do about eastern problems, which is of great help to our population and makes us very impartial.

At this point I should like to say something which may at first appear to be local or regional. On two or three occasions during the last year or so some hon. members in opposition—I believe they were hon. members of the Scoial Credit group, and I make this observation as one Canadian to another, as man to man—went so far as to say that due to the war we should find it possible to stop the gold mining industry of this country. I hold no brief for the gold mining industry, although I do happen to represent one of the finest, greatest and richest gold mining sections in Canada, and, I might also say, well managed. I am not going to discuss at this time the gold standard, the yardstick for our monetary system, or the system we should have. Other opportunities will present themselves for such a discussion.

But if hon. members from the west could see what gold mining has done in my section of the country and to the whole of Canada, how it has benefited not only those connected with the mines but also the agricultural section of the community, I believe they would change their views. Tens of thousands of our settlers have gone into dairying, cattle raising, the production of poultry and eggs and other farm commodities. The only market they have is found in the gold mining sections of Porcupine, Kirkland Lake and the other mining communities. Surely hon. members do not wish to take those markets away from us.

If to-morrow the government found it possible to transfer every machine we have in gold production and also the labour so engaged to the fruitful and efficient manufacture of munitions and supplies for Great Britain, I would say it should go ahead and do so. If in a reasonable time it would be possible to use those machines now engaged in gold mining for the development of a synthetic rubber industry in that section of the country, then I would say by all means do it if such an industry should be developed. But surely the government should not be asked to come to that section of the country to-morrow and throw out of employment about 65,000 people. Surely you could not ask that; I would not ask it of your people unless they could be usefully employed in war industry.

The settlers and the farmers are reasoning it out in this way: How is it that western farmers, who should understand our problems, will say that the gold mining industry should be destroyed, and especially when the farmers in northern Ontario are ready, satisfied and willing to cooperate one hundred per cent with the government so that the farmers of the west will have their place in the sun and their right to reasonable prices for their production? Surely you can visualize my argument. If it is contended that agriculturists should be kept on the farms when there is a surplus of wheat in Canada, then surely the miners of the Porcupine, Kirkland Lake and Elk Lake districts and other mining districts in Manitoba and British Columbia should not be thrown out of work. I think there is logic in this argument. Hon. members are entitled to their opinions and I would be the last to moralize, but surely I have the implicit right to make that plea.

There is a population of 300,000 people directly interested in gold mining. This industry was one of the main reasons why our people were able to get by economically during the depression. We certainly are thankful for that. It was a great stabilizing factor during that hard period. The people in these mining sections were at least comfortable during the depression. Many of them are also agriculturists. This gold mining section is right in the middle of what is known as the clay belt of Ontario, one of the newer and finest farming sections in Canada. I ask hon. members to consider these things before they are ready to throw out into misery, into the cold, into squalor over 300,000 people. I want them to be a little more careful in their statements.

Mr. CASTLEDEN: Could these men not be more valuably employed in munitions production?

Mr. BRADETTE: I will answer that in this way: are there not a lot of farmers in the west who will be growing wheat next summer who could be better employed in manufacturing munitions?

Mr. CASTLEDEN: They are doing it already.

Mr. BRADETTE: We are realists in our own section of the country, and hon. members must be realists. The machinery used in gold mining cannot be put to making munitions, tanks or guns in a day or overnight. Hon. members may be surprised to learn that mines like the McIntyre and the Hollinger are doing some war work now, producing articles of war. I have been told by managers of these mines that if it were found necessary to close them for a period of months or years, many of them would never come back again into production. It would be absolutely impossible to exploit them again.

Mr. NICHOLSON: What useful purpose is being served by gold? How is it terrorizing Hitler?

Mr. BRADETTE: I said at the outset that I did not intend to enter into a discussion of the gold standard.

Mr. HOMUTH: Wheat is not terrorizing Hitler very much, is it?

Mr. BRADETTE: Not at the moment. I know that that question was put in all sincerity. The gold mining that is carried on in our section of the country is of benefit to the workers of Toronto and Montreal and the industrial population of the rest of Canada. We are very fortunate at the present time in that the United States still buys Canadian gold. This permits us to purchase materials used for the manufacture of munitions, guns and tanks to be sent to our armed forces and to our allies. It certainly greatly helps to stabilize our Canadian dollar. I want to make my argument quite clear and I do not want to be misquoted. The gold miners and farmers in my section of the country want all the good possible to be done for the western wheat growers, to do all they possibly can for a total war effort.

Mr. NICHOLSON: Do the United States want our gold?

Mr. BRADETTE: A few years ago a member of parliament attended the commencement exercises of the high school in Timmins, and he commented upon the fact that gold was taken out of the ground with hard work and sweat and then sent south and buried in another place. The chairman of that meeting, speaking later, told him that that argument could be carried a little further. He said, "I understand that in your section of Ontario you grow tobacco; that tobacco is made into cigarettes, smoking tobacco and cigars, and we up here turn it into ashes." That shows how far this sort of argument can go. When we talk of a total war effort we must visualize all these things. We must maintain our armed forces, and goodness knows we want to do that 200 per cent if possible. We must provide all necessary equipment, clothing and food to our armed forces and also our allies. We want a civilian population that is fruitfully employed. That is the only way you can maintain your armed forces. It could be argued that all breweries should be closed up. I do not believe that is necessary, but I will admit that if it were done we could still carry on the war just the same. It might be argued

that we should stop the manufacture of alcoholic beverages, and we certainly could stop the manufacture of these soft drinks that are spoiling the stomachs of so many of our younger people. I could name fifty other industries that could be shut down. This simply shows what could happen if you carry an argument to an illogical conclusion, arguments that could not stand before the light of logic.

The agriculturists have problems, but so have the miners. The minute you take the livelihood away from these gold miners, 50,000 farmers in my section of the country will be without a market. The farmers of southern Ontario send their eggs, meat, vegetables and fruits up to our section. At times our farmers have tried to keep them out, but I have always argued that we are not only citizens of Ontario, we are citizens of Canada. That section provides a market for southern Ontario farmers and farmers in the province of Quebec. I have a brother in that section who has two sons enlisted. He has fifty dairy cows, and he tells me that if the town of Timmins were closed up, there would be no reason for his farming.

Mr. NICHOLSON: But what use is gold?

Mr. HOMUTH: Ask him what use it is not?

Mr. BRADETTE: Does the hon. member realize that France, Norway, Spain, Great Britain and Portugal have sent billions of dollars in gold bullion to the United States? Perhaps hon. members would be surprised to know that Hitler was highly displeased; he was quite choleric and abusive when he found that millions in gold had been taken away from France before the invasion. Do hon. members think for one moment that Hitler would not be quite happy if he could get at the gold centres of this country? This argument applies just as forcibly to Italy. However, this is not the time or place to discuss the gold standard or our monetary system.

My argument is that there is a ready market to-day for the gold we can produce, and this is a good thing for Canada. I have no fear that the United States will close this market because at the present time that country is spending millions in gold in south America; but if this market should be cut off, then there would be only one thing for this country to do, build up a gold reserve of five or six billion dollars in order to keep this industry going. That is as far as I am going with this question. I know that western members, while sometimes quite rugged in their discussions, are generally speaking, fair to the rest of the country.

We have large centres of population in Timmins, Schumacher, South Porcupine, Elk Lake, Kirkland Lake and other places in that section. All these are in the province of Ontario. There are also some fine gold developments in Manitoba and in British Columbia. There are conditions in the Pacific coast province which may make for serious worries. I mean the Japanese situation. Let no one think that the government has no difficulty in looking after the thirty thousand Japanese in British Columbia. Remember that when you come to stop the gold mining industry it will involve three hundred thousand people who will be thrown out of work and will constitute one of the greatest problems with which this country has had to deal. I speak somewhat heatedly because I know something about this matter and of its full implications. I am sure that there is no hon. member who doubts my sincerity.

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

Some hon. MEMBERS: Go on.

Mr. SPEAKER: With the unanimous permission of the house.

Mr. BRADETTE: I thank the house very much for that favour. I have only a few words to add. I do not want to abuse the patience of hon. members because they have always been very kind to me.

In my view a discussion of this kind is all to the good so long as it does not become biased and so long as those who are asking for consideration are reasonable in their demands. It is always possible to discuss national problems in a national way, trying to get at the root of the difficulty and solve it in a fashion which will be fair and acceptable to all concerned. Agriculturists do appreciate the problems of other sections of the population, and they expect to receive in turn similar attention and sympathy. We speak profusely and no doubt properly of new deals and of a new order of things, although I believe that in some instances these expressions are used merely as catchwords and tend to blur the vision of the real issues, so promoting a state of aloofness and inability to reach the crux of our problems. No class can grow and prosper at the expense of another class. If by our study and our effort in the legislative field we can restore confidence and comfort to the primary producer, the discussions on this bill will have been time well spent.

Mr. GILLIS: Before the hon. member concludes his speech, I wish he would clear my mind on one point. He spoke to a considerable extent, in the discussion on this wheat

bill, on the question of gold mining. I should like to ask him, first, if it is not now the policy of the government to curtail as far as possible gold mining as a non-essential war industry; second, are there not now a thousand miners in Kirkland Lake who are unemployed and cannot get either work or relief as far as the government are concerned?

Mr. BRADETTE: Of course, Mr. Speaker, it is for the government rather than myself to answer that question. I may say that the mine management of my own section—the only district of which I can speak with personal knowledge—have to face at the present time priority demands as far as steel construction and machinery are concerned, and they willingly submit to these restrictions. In some mines it is quite a problem to get the necessary labour. As far as Kirkland Lake is concerned I am not familiar with the situation, but I express sincerely the hope that the fine workers in that section of the country will find fruitful employment as soon as possible.

Mr. F. D. SHAW (Red Deer): The hon. member for Cochrane (Mr. Bradette) has just completed a rather interesting speech, although I believe he wandered somewhat from the subject, for he covered a wide field. I do not suppose that I am expected to follow suit; in fact there is not enough time for me to deal with the matters which he has given us for consideration.

One hesitates to inject himself into a debate when it reaches its final stages. However, failure on the part of one who represents one of the finest mixed farming areas in western Canada to give expression to his views at this time might lead some persons to construe that silence as indicating wholehearted approval of the policy announced for 1942. Such a conclusion would certainly be far removed from the fact.

I believe we are all ready to recognize the difficulty with which any government is confronted that endeavours to solve a problem of such magnitude as this agricultural problem. When the Minister of Trade and Commerce (Mr. MacKinnon) and the Minister of Agriculture (Mr. Gardiner) were explaining the proposed policy to us, I could not refrain from watching each minister as he was speaking and trying to determine from his actions whether or not he felt elated over the policy which he was—I was going to say—compelled to give us. I do not profess to be a professional psychologist, nor am I a recognized crystal-gazer, but I felt that it was with some reluctance that the Minister of Trade and Commerce delivered his message. I may be wrong, but my impression was that he, as a western member, thought something better should have been offered. As for the Minister of Agriculture, I felt that he was quite jubilant as a result of having that message to deliver. In dealing with the matter of parity he made a masterly job of juggling, to the extent, in my opinion, of showing that two things which do not equal the same thing equal each other. That was my impression when the Minister of Agriculture finished. As the minister was selling us that policy, I was rather relieved that he was a Minister of Agriculture and not some type of door-to-door salesman who might camp upon my doorstep to sell Witch ointment, let us say, or Devil lotion to reduce the hefty housewife or give curly hair to the baldheaded. I fear that in either instance he would have done anything to sell his lotion or his mixture.

An hon. MEMBER: Would they work, though?

Mr. SHAW: Page the salesman.

I have the honour to represent, as I said earlier, one of the finest agricultural constituencies in western Canada. Fortunately we are not afflicted there by drought; we have not been tormented by insect pests; and at the same time we have not broad expanses of cultivated land devoted entirely to the production of wheat. Nevertheless we have a problem, and a very serious one, and I propose using conditions there as a basis for delivering my message at this time.

As you are well aware, Mr. Speaker, in a mixed farming area, we are engaged in the production of certain agricultural commodities for which there is a very great demand at this time. I have in mind the production of cheese, lard, eggs, and milk; and when I mention milk I might also refer to our great condensory at Red Deer, the product of which has, I understand, already reached the British market. I could enumerate other products which are derived from mixed farming.

It is true that prices of those commodities have definitely improved during recent days—that is, according to announcements which emanate from certain departments of government showing the established prices of those articles. But it always seems strange to me that when it comes to the final analysis, to the man who actuually produces the commodity and puts it on the market, his price is always so much lower than the quoted price. I have felt for a long time that the day has at last arrived when the government should take some definite action to see that the producers of these commodities are guaranteed a fair return in the light of prices

which are presumed to prevail. I feel that some bodies or some organizations are taking advantage of these producers.

The situation in a constituency such as mine has been something like this. A number of years ago settlers moved into that area and purchased land. They were optimistic, no doubt, as the hon. member for Cochrane has said. But God forbid that we should ever lose that quality of optimism. They agreed to pay, in most instances, prices which were not regarded as unreasonable in view of the fact that wheat was worth from $1.50 to $2 or thereabouts a bushel. They paid as initial payments on that property possibly their life savings, and in many instances they borrowed money at 6, 8 and 10 per cent interest. It is also true that these farmers paid high prices for the machines which were required, high prices for the stock which they needed, and then they undertook farming.

We all know the whole desperate situation with which these farmers were confronted from 1931 until 1934. The bottom fell out of the price of grain. We well recollect the 30 cents a bushel which farmers were called upon to accept for wheat. Prices of all other farm commodities fell in proportion, but the interest charge against the farmer's borrowings, the value placed upon his land, did not come down—not in proportion, if at all. We know, too, that taxes increased owing to the extent of the relief which it was necessary for the various governments of Canada to pay. While the farmer's income dropped in many instances as much as 80 per cent, he was still called upon to pay the contractual price which he had agreed to pay for his land, at the rates of interest set forth in the contract. During those years we found many evicted from their properties. We found mortgage companies foreclosing. They did not foreclose all at once, it is true, but they gradually foreclosed as they could procure tenants for the land which they repossessed. Those, generally speaking, were the conditions confronting the farmers during that period, and those conditions did not improve materially even up until the time the war broke out.

The farmers did definitely protest against the conditions under which they were being forced to carry on. They protested, but on the other hand they continued producing. We found many of them branded as dishonest because of not meeting their obligations, and some of them to this day are having a difficult time living down the imputation of dishonesty which was put upon them. I think it is fair to say that during those years we did not realize that a necessary condition of the restoration of prosperity was the recognition of a more adequate income for agriculture. We have always stated that agriculture is our basic industry, but we utterly failed to see that, with such a large part of our Canadian population depending upon agriculture, if we had given a square deal to farmers during those years we would undoubtedly have stabilized our economic life in this country and would have been much better able to face the situation with which we were confronted in 1939.

One more observation in that connection. It is quite true that during those difficult years some of the governments did take steps towards introducing legislation which had a tendency to scale down certain debts. But I would make this observation. I do not believe there is any member of this house who would say that as a consequence of the writing down of debts the plight of the farmer in Canada was appreciably improved. Many of us had occasion to examine into many of the soldier settlement contracts, and we realize from the experience we gained there that hardly 2 per cent of those whose debts were written down found themselves in a more favourable position after the passing of a few years. In my estimation it is futile to undertake to solve the problems of the farmers by merely scaling down their debts. All they want is an honest opportunity to pay their debts, and that can be done only through the establishment of a fair and just price for the things they produce.

I believe it is a fact that there is no class of people in the world who will rally to the defence of democracy, when democracy is threatened, sooner than farmers. When the war broke out in 1939, Canadian farmers were among the first to rally to the support of the country; and when I think of the extent to which they did rally to its support, offering their sons and their produce, offering to change their methods of farming, offering to do anything that would help the country in her hour of peril, I am reminded of the words of the President of the United States when dealing with this same matter. He said:

> When democracy is in danger our farmers always have rallied to its defence and they always will. All they ask in return for their increased production is fair prices and assurances of protection after the emergency has passed.

We could modify that. We are not so much concerned about paying them for huge increases in production, speaking particularly of wheat, but we are concerned about giving them a decent price for that wheat which can be accepted under a quota system of delivery.

Through the first year of the war our government relied to a very great extent upon European markets. We believed, for example, that France would continue to be a large purchaser of Canadian wheat and that various other European countries would do the same. I do not think it ever entered our heads that we would not be shipping more grain to the United Kingdom than we have shipped during the past two years. Therefore, during the first few months, in fact, during the first year of the war our wheat surplus did not bother us much. But in June, 1940, came the crash; with the fall of France we found our European market cut off. Then we began to give consideration to the vast surpluses of grain which would surely accumulate.

During the following year, that is the crop year 1940-41, we instituted a scheme of acreage reduction, paid the farmers a bonus for reducing wheat acreage and turning the land into summer-fallow. I personally cannot subscribe to the idea that we should pay farmers to allow land to remain uncropped. I believe that every part of agricultural Canada can be put to use. I am not advocating that we should plough all our land and sow it to wheat. But I am stating what has already been stated here that a great deal of that land in western Canada can be used for the production of sugar beets. That is only one illustration. We might give consideration to the production of fodder crops and of further root crops, and to the expansion of the dairy industry—although that may not please certain parts of the country—but I am definitely opposed to curtailing the production of foodstuffs in time of war. I may be wrong, but I would rather be wrong in that regard than sorry if we ever are confronted with a great demand and an inability to meet it.

Last year the government also undertook to pay to farmers in areas where farming is more hazardous certain forms of assistance. I approve that; anyone who is familiar with those great expanses of prairie that were dried out year after year could not but subscribe to that form of assistance. Then a more recent innovation was the prairie farm income scheme. The farmers of western Canada were assured that these bonuses would be paid at certain times. I understand all the farmers in my constituency were led to believe that the wheat acreage reduction bonus would be paid in December. They made their plans accordingly; they wrote to machine companies to whom they owed money; they spoke to the tax collecting agencies explaining that they anticipated the receipt of this money. Then weeks went by, in certain instances even months; they failed to receive the money and no explanations were forthcoming. Did the machine companies, the tax collecting authorities and the mortgage companies accept the statements given to them by the farmers who were expecting the bonuses? No. I understand also that 50 per cent of the Prairie Farm Assistance bonus was to be paid in December. But I have had ever so many complaints from farmers that they did not receive the 50 per cent payment and that they had not yet received the payment which was due in March. The same thing applies to the income payments. I think there is one thing to be learned from that. The ministers responsible have seen the regional offices administered during one crop year, and if there is something wrong in the administration it is high time to set it right and remove the difficulty. I do not want to be harsh, but I sometimes think that the man and his association with the party are considered before his qualifications for the position. There was something wrong; we might as well admit it, and I think it is time right now to do a bit of housecleaning.

With regard to the policy for 1942, I must first say that we do appreciate the fact that the farmers are being offered another 20 cents a bushel. There is no denying that 90 cents is better than 70 cents. But 90 cents is not parity, and I am satisfied that the minister did not satisfy the members from western Canada that it was parity and, in some instances, perhaps more than parity. It is only fair and right that when it comes to determining parity level we should be given more information than was provided by the Minister of Agriculture if we are to be satisfied with his calculations. I believe, and I think the farmers of my riding believe, that $1 a bushel at the local elevator now is not a cent too much. I know that the farmers of my constituency cannot carry on and meet their obligations at less than $1 a bushel at the local elevator.

We do not go in for acreage reduction to any extent in that riding because we have not large areas devoted to the production of wheat. There is some reduction, but our income from that source is not very much. As far as wheat is concerned, we have to depend upon the price established for 1942, and I have not met a farmer yet who thinks that 90 cents will enable him to carry through and meet his obligations. I agree with what was stated by one or two members of this group, that there should be an amendment to the Prairie Farm Assistance Act with a view to making it a sound crop insurance scheme. I believe that is absolutely essential, and I am not impressed by the statement of the Minister of Agriculture that for

this reason or that it cannot be done. We notice that when he is desirous of going in any direction he usually succeeds in removing the obstacles in his way.

I believe the farmers of western Canada require further guidance. We must through some means undertake a more complete organization of this country's agricultural industry; we must do further planning of production. I have already indicated that I believe certain areas might be devoted to the production of sugar beets. That is only a suggestion. We should plan production in this country province by province, and do it now.

Furthermore we should organize the agricultural resources of this dominion. It has been intimated in the press that farmers may encounter difficulty in securing farm machinery. If farm machinery is not going to be given priority, and I think it should be, then we must organize in order to use the equipment which is available this year or next under a system of restricted machine production. Also we ought to give further direction to our farmers to enable them to market their secondary products, on a cooperative basis if necessary.

There is one other matter. Those whom I represent are definitely opposed to the action of the government in draining man-power from our farms indiscriminately and without consideration for farm requirements. If they are going to continue this, then I expect them to tell us how the farmer can carry on under a system whereby we take our men from the farms into industry and to join the various branches of the armed forces without regard to agricultural requirements. This has become a very serious question. Under the present set-up they take a man in for training and indicate that he will be released later on to work on the farm. Then, when we apply for his release they say, "We have invested a certain amount of money in this man now. We are very sorry, but we cannot release him." We are confronted with that difficulty frequently. The allotment of man-power for farm work should be carried out on a carefully planned basis; and any scheme for allotting labour to the farm should have a direct relationship to the requirements of industry and those of the armed forces.

Final and complete victory will depend upon the consideration we give agriculture at the present time. If we fail to meet the requests of agriculture, then we are making a mockery of all those things for which we say we are fighting. We must understand that under the new order which we have promised to all, including the farmers, agriculture must be guaranteed its rightful place in the national economy. Before the outbreak of war we regarded the farmer as the outstanding peacetime casualty. We all looked upon him in that way; we thought of every reason in the world for making him a casualty. Governments kept farmers disorganized and brought about that result. Then the war came upon us, and once again we are making the farmer the casualty. So I say in conclusion that, if final and complete victory is to be won, the farmer must be guaranteed his share of the national income, and further guaranteed that when the war is over he will not be forced back into the position in which he found himself during those extremely hard years from 1931 to 1934 and those difficult years from 1934 up to the present time.

Mr. J. A. GREGORY (The Battlefords): Mr. Speaker, it is very difficult in the waning hours of a long debate to say anything new and original. One does not care simply to repeat those things which have been said already by a multitude of speakers; but at the same time, representing a Saskatchewan constituency, I feel that I should place myself on record with respect to the wheat policy for 1942-43 which is now before the house for consideration.

One year ago, in speaking of the wheat policy of that time, I said that policy bore all the evidences of a compromise. I find myself again in that position this year; the policy now before the house bears all the appearances of a compromise. In viewing this policy it is necessary to do so from three aspects: from the point of view of the initial price to be paid for wheat, the wheat acreage reduction scheme, and the continuation of the Prairie Farm Assistance Act. I have said that this policy bears all the evidences of a compromise. In a country such as Canada, as I said last year and as has been said time and again during this debate, there are many conflicting interests. There are conflicting provincial interests, notwithstanding the fact that the provincial boundaries are in many instances, purely artificial. There are conflicting interests which arise from our geographical situation in various parts of Canada. All these matters must have their place and effect in decisions made by the cabinet. In addition to conflicting interests, I find another influence that has operated in the creation of a compromise wheat policy. Since coming to Ottawa I have discovered that there is a minority opinion within this house, as well as a minority opinion outside this house, that Saskatchewan cannot survive; that it is a hopeless task to try to maintain Saskatchewan,

and that the sooner the people move out of that province, the better it will be for the whole of Canada.

These are some of the things that have brought about the compromise wheat policy of this government. It is very true that we have in Saskatchewan a population of nearly a million people of the white race who, during the last thirteen years, have endured tribulations such as have never been endured in the recorded history of that or any other part of Canada. In addition to the drought, which has visited every part of that province intermittently during that period of time, the world depression took a toll of the price of farm commodities, to the extent that during the last thirteen years there has not been a farm commodity which has returned to the farmer the cost of production.

Let me again remind the house that during the last forty-five years, during which floods of immigration poured over that western country, reaching the extent of half a million people in 1912-13, and as enormous developments took place there following that great flood of immigration, prodigious volumes of wealth were created each year in the west, which wealth found its way down to the central provinces to enrich their banks, mortgage companies and other financial institutions; yes, and to build its small industries into large industries, its small cities into large cities. Thus, during the last forty-five years that western country has made a marvellous contribution to the building up of Canada as a whole.

I ask you, sir, are those years to be forgotten? Is this great contribution made by the west to Canada as a whole to be set to one side? Is this white population of nearly a million people to be abandoned? If I may be permitted to answer that question, let me say that years of great production again will come to that western country. Once again the wealth will roll from the farms of Saskatchewan and the west as a whole down to the central provinces of Canada, thus enriching the life of the whole country.

It may not be known to all hon. members, that in the great prairie belt in the west we are not dependent upon the currents of air from either the Atlantic or Pacific oceans to create our rainfall. We are dependent only upon the meeting of the warm current of air from the gulf of Mexico with the cold currents from the Arctic ocean. It is this meeting which creates condensation in the form of rain, hail, sleet or snow, according to the period of the year. During the last few years the currents from the gulf of Mexico have moved very much farther east, and thus the currents from the Arctic and the gulf of Mexico have failed to meet over that prairie region, with the result that we have had thirteen years of intermittent drought.

Judging from the records of early settlers, from the traditions of the Indians, and the records of some meteorological stations in the United States to which we have had access, we have learned that what we used to call the great American desert—and I remember having learned this in my geography class, when a boy—has intermittently enjoyed years of heavy rainfall and good crops, and on the other hand years in which the currents of air had failed to meet, with the resulting lack of precipitation. I have confidence that history will repeat itself, and that when the right meteorological conditions develop, that great western country will again become the breadbasket of Canada, as it was once described.

I now turn my attention to the splendid delegation of about 400 farmers from Saskatchewan, who journeyed to Ottawa to lay their case before the government, and to stress their views respecting a wheat policy for the west for 1942-43 crop year. In my opinion that was one of the finest delegations which ever came to Ottawa; we are proud of it. It was an accurate cross-section of the whole of Saskatchewan, including farmers from that province, merchants, clergymen, professional men, reeves of rural municipalities, mayors of cities and others, each of whom conducted himself with decency and dignity. The presentation of their case to the government was characterized by moderation and intelligence.

What was the essence of that presentation? For the purpose of debate may I summarize it under four headings: (1) That there should be no price ceiling on wheat; (2) the initial payment on wheat should be $1 a bushel; (3) there should be a parity price paid for wheat, by further payments over and above the $1 initial payment during the course of the year from time to time, to bring the price of wheat up to a parity with other commodities, and (4) the continuation of the Prairie Farm Assistance Act.

For the moment I shall deal only with that portion of the brief which I have summarized under these headings. Disregarding the rest of the brief, may I say I find myself wholly in accord with the requests made by the delegation. I believe those requests were reasonable and fair, in view of the war economy of Canada.

Let us see how these requests were viewed in certain parts of Canada. We have heard objections voiced by hon. members from other provinces, and this evening I would particularly draw the attention of the house to an editorial which appeared in the Truro

Daily News shortly after the delegation had gone home. The following is the text of the editorial:

Should be nothing doing

The 400 beggars from the western wheat fields of Canada have visited Ottawa and returned. They called themselves "Prairie wheat growers and their supporters". In fact it would seem that they are a gang of leeches stirred up and led by a few shameless agitators. They were probably dominated by those who make money out of buying and selling wheat and the big wealthy wheat producers.

Presaging this trek of a couple of train loads of supplicants to the government for pap we urged that our elected representatives stiffen their back bones and use fair common sense in this case.

The government is in control of prices in Canada. So far, in spite of mistakes that are bound to occur, an excellent job has been done. Wage and salary earners should be highly satisfied.

With the last sentence I wholly agree.

It is probable that the holding down of the cost of living by the wartime prices and trade board will make unnecessary a bonus to employees for the present quarter. This is all to the good.

Now these western beggars have tried to overawe the government by taking a veritable army to Ottawa demanding special privileges. All other citizens of the country have been paying extra taxes so that the government may give these westerners a present of millions of dollars in the past to help them meet world market conditions. The last was a government guarantee of 70 cents a bushel to the grower for his wheat. In the face of the government's ceiling on prices this pap fed class from the west asks the government to collect from the rest of us another 30 cents a bushel as an additional gift to them to further fatten their pocket-books.

Nothing doing! This is definitely what should be told them. Let them get out and "root hog or die" as most all industries of the country have to do.

With the latter part of that sentence I find myself definitely not in accord.

The government told them that their request would receive consideration. The answer right on the spot, should have been, definitely "No!"

In the three years ended July 31, 1941, we contributed approximately 80 million dollars to these brassy western beggars. The new $1 a bushel gun this army of 400 put up to the government would mean under similar circumstances about 115 millions. It is certainly time to call a halt. If the government needs an opposing army to wait on them to help them to say "No," we feel sure thousands of already necessarily tax burdened citizens of Canada would join it.

In the last two years, since coming here, I have heard a great deal of talk about the necessity for unity in the awful struggle in which we and the rest of the world are engaged. I wonder just what contribution the editor of the Truro *Daily News* has made to unity in Canada. The article is unfair; it is untruthful, and it is an insult not only to the delegation but to every resident in Saskatchewan. I am not aware of any reason for using that kind of language with respect to the people of that province. I know of no person in Saskatchewan who would have any reason to feel an inferiority complex when meeting Canadians from any other province. We came from the other provinces of Canada; we came from Great Britain, we migrated from the western United States, and some of us came from the eastern United States. Enormous contributions have been made by nearly every country in Europe. The opportunities thus presented to a man in Saskatchewan were never available to those in other provinces. The effect of intercourse among these various people has been broadening; it has enriched the life of every person who has gone to Saskatchewan. There is no necessity to direct insulting remarks such as these to the residents of that province.

I sometimes wonder how Saskatchewan maintains its position in confederation. I shall not at this moment make reference to the various secession movements that have sprung up in Saskatchewan, but I may have something to say about this at some future date if necessary. These movements have sprung up because of the unfair treatment handed out to that part of Canada. It is bled white with freight rates on those commodities that flow easterly and it is bled white with freight rates on the things it consumes that flow westerly. It is bled white by a high tariff structure which is of no benefit to western Canada, which is nothing but a detriment.

There are no banks with head offices in that province. We are away out on the end of the limb of the financial structure. We have always been charged the most exorbitant interest rates. In the forty-five years I have lived in western Canada I have found that 12 per cent was the common rate of interest at one time. Then it was reduced to 10 per cent, and then 8 per cent was the recognized rate charged by everybody, banks and individuals. It is only recently that there has been a softening of these excessive rates to 6 and 7 per cent. One realizes from personal knowledge that in that part of the country the wages of money have been vastly greater than the wages of men, at least in the last fifteen years.

It is a widely held belief that before the end of the 1942-43 crop year wheat will be worth considerably more money. Both President Roosevelt and Prime Minister Churchill have said that a great offensive will be commenced in the spring of 1943. If that does

occur, it means that Canada and the United States will have to feed armed forces in all parts of the world. We shall have to feed Russia and the Russian army and, if the offensive is successful, we shall have to feed the liberated peoples as we drive Hitler out of Europe back toward Germany. When that time comes, there will be such a demand for wheat that we shall not have to talk about it in a whisper and with humility as we do when we apologize for this great granary of 500 million bushels of unwanted surplus. When that time comes, wheat will once more hold up its head. It will again be that No. 1 western hard which will be demanded by suffering and starving people. When that time comes, wheat will be worth probably twice what it is worth at the present time. May I suggest that out of that increased price it is quite likely that more than the parity price asked by this delegation will be handed back to the farmers in the form of participation certificates.

I should like to say a word or two with respect to these bonuses. I am pleased indeed that the wheat acreage reduction bonus has been continued. This will have the effect of inducing people to leave wheat production to some extent and to go into the production of coarse grains in order that we may fill our contracts with Great Britain for those classes of foods for which we have contracted. I am pleased indeed that a floor has been placed under flax. This will be conducive to encouraging people to produce the oils which we need so badly.

The Prairie Farm Assistance Act assures a living to the farmer in case of crop failure, and possibly the return of some of the operating cost of his farm. At least it keeps the farmer on the land. It is much better than that obnoxious word "relief". He is being maintained by bonuses which are legal in nature and for which he does not need to apologize. Unfortunately no amendment is proposed at this session to this act to prevent the 8- to 12-bushel class being wiped out. I trust the agriculture committee will do something with respect to bringing in an amendment to cover those in the 8- to 12-bushel class. I think an amendment to pay that class $1 per bushel would be satisfactory. I know that this would meet with general approval in western Canada. Every letter and telegram that I have received from the time this question was first mooted to the present date makes reference to the advisability of continuing these bonuses. Beyond question they are of great value to western Canada, and the people of that part of the country fully appreciate them.

This wheat policy goes part way in fair play for wheat farmers.

[Mr. Gregory.]

What gains have we made in this present legislation over the previous wheat policy? I think these gains can be summarized under four headings: First, there is no price ceiling in connection with this wheat policy. Second, the 280 million bushels to be purchased next year will be purchased, not by private interests for the purpose of making a gain out of the increased price to which I have referred, but by the Canadian wheat board and whatever profits are made will go back to the farmers of western Canada. Third, there is a substantial increase in the initial payment. Twenty cents a bushel is not to be sneezed at. May I say again that the letters I have received from western Canada all show a sense of appreciation for what has been done. These people realize the benefit which will be derived from the fact that the initial payment on wheat has been raised to 90 cents a bushel. Fourth, we have retained the two bonuses to which I have referred.

In summarizing the beneficial effects of this wheat policy over previous policies, I do not want it to be understood that I am satisfied with this policy; I want it to be definitely understood that I am not satisfied with it. I believe the farmer is entitled to $1 a bushel for his wheat as a part of the war economy of Canada.

In conclusion, may I say that I am only pleading for fair play for the people of my province. Industry and labour have been amply rewarded and provided for in this country. Many other producers in other provinces have been treated generously, and I plead for fair play for the producers of wheat. Why should the wheat farmer always be the forgotten man? Why should he be the beggar at the feast, if you will, the poor relation in the economy of Canada? I suggest that in the discussions of the agriculture committee the demands of this delegation be kept in mind with a view to bringing in a report implementing in every detail the requests of this delegation.

Mr. R. W. GLADSTONE (Wellington South): Mr. Speaker, I wish first to congratulate the hon. member for The Battlefords (Mr. Gregory) upon his logical and enthusiastic support of the legislation before the house, having to do with the interests of the agricultural population of the great province of Saskatchewan as well as of the other two wheat producing provinces, Manitoba and Alberta. He has, however, interjected into his speech this evening one word, "secession", which should never be used by the representative of any province in this dominion. Even though we farmers of Ontario believe that in the past we have paid toll to manufacturers for the

upbuilding of industry, and although western farmers have done the same, I am sure we shall be conscious to-day that we are reaping the benefits of what we then gave to industry, as we see Canadian mechanical transport going to Egypt and Libya, and our guns and shells being shipped to all parts of the world for the protection of that freedom which all of us love. Therefore I counsel all hon. members to think seriously, regardless of whence they come or what their interests may be, before using the word "secession" in this parliament.

We have entered the second week of a debate on three bills relating to the wheat situation. So far, I believe, thirty-seven hon. members have spoken, thirty of them from western Canada and seven from eastern Canada. Quite naturally the arguments of those from the west have been either in support of the bills now under consideration or in advocacy of something better than they contain. We expect, of course, that hon. members from the west will do everthing possible for the improvement of conditions in their chief industry. It may be said here that the attitude of hon. members from the east who have spoken has been one of sincere willingness to do anything they can for the improvement of agricultural conditions in the western provinces. They realize that there cannot be prosperity in their towns and cities unless there is prosperity on the farms.

It is my feeling that we eastern members would do well to make a keener study of agricultural conditions of both the east and the west. The notice of motion in the name of the hon. member for Broadview (Mr. Church) may be regarded as a beginning in that direction. Undoubtedly we eastern members should have a better understanding of what is going on in the west as well as a fuller appreciation of the situation of the small farmer in eastern Canada. The hon. member asks for a return showing:

1. The amounts paid from the consolidated revenue fund to farmers of Manitoba, Saskatchewan and Alberta, since the year 1930, by years, on account of (a) direct per bushel bonus, (b) wheat acreage bonus, (c) wheat acreage reduction bonus, (d) prairie farm income bonus, (e) Prairie Farm Assistance Act.

2. The deficits sustained by the Canadian Wheat Board in each year since its establishment.

3. The total amounts paid since 1930 to farmers in Ontario, Quebec, New Brunswick, Nova Scotia and Prince Edward Island, by way of, (a) wheat bonus, (b) hog production bonus, (c) cheese production bonus.

In the course of the present discussion the whole western agricultural situation, particularly with respect to wheat, and extending over many years, has been reviewed, and also the proposals affecting the 1942 and 1943 crop years. I do not wish to continue the discussion of the past or even the proposed legislation, but would rather direct my remarks toward the future of all agriculture throughout Canada in the new order that is to be.

Canada is an extremely difficult country to govern. In the long expanse stretching from the Atlantic to the Pacific and far to the north we have great variations of climate, of physical contours, of resources, of conditions and circumstances, and correspondingly varying interests. It is a major problem of government to endeavour to harmonize all this diversity of interest.

The prosperity of any country, and most certainly of Canada, hinges on the creation of new wealth, which in turn depends upon the development of our resources of the farm, the forest, the sea and the mine. Here, as we all realize, is to be found the support for the upbuilding of our cities and towns and their industrial life.

We may recall the development of our eastern provinces. The pioneers came to these provinces, the French to Quebec and the English, Irish, Scotch and other nationalities to the maritimes and Ontario. They came with their families in those days when the only transportation was by means of sailing vessels. They came to the primeval forest and were supported for a time by the beneficence of settlers who had preceded them to the new land. But gradually they hewed out a place in the forest for their little cabin and clearing whereon they might produce some vegetables and grain. They expanded their clearing year by year; it became their home, and farming became their way of life. That has been the history of the development of these eastern provinces—the province of Quebec notably and likewise the province of Ontario.

The farm unit in Ontario has been largely 100 acres, and over a period of years there was until recent times a gradual betterment with the erection of fine buildings—houses and barns—and the making of a way of life wherein the 100-acre farm supported a family. As the years went along, more land was cleared and there came the need for implements to increase production. So, through invention and science, we had the perfection of some tools with which to carry on agriculture. This brought about the development of little manufacturing communities, and stage by stage, with greater development of the country, and then with the development of the western country, these industrial areas have grown larger and larger. The tendency

has been for the manufacturing interests to congregate in certain cities, and the further tendency in these modern times has been for these industries to grow larger and larger until we have now reached the stage of enormous manufacturing and mass production —production where regrettably the machine is almost replacing the man, where a piece of iron goes into the machine and travels through the various processes of bending, shaping and riveting, without the human hand touching it and only some skilled supervision being necessary. It is, of course, a debatable question whether the introduction of these modern machines has resulted in the aggregate in lessened or increased employment of labour.

There has been a corresponding development in merchandising, where the small store, the corner grocery, has been replaced by the chain store. This no doubt has brought an improvement in certain phases of merchandising, but it has had its disadvantages, the disadvantage of ownership going to other cities and most certainly passing away from the man who had a personal interest in the development of his community. We have lost much of that good old-time civic spirit and responsibility that made for the development of our fine towns and cities in Ontario and in other parts of Canada. I would hope that this development of mass production in the factory and in merchandising may not spread into the realm of agriculture. It seems to me that our God-given heritage—these fertile fields—was intended primarily for the support of families of this great Canadian nation, and it is to be regretted if there is a tendency in legislation or otherwise to have the farm unit increased far in excess of any necessity for supporting a family.

The means of continuing the small farm unit are, of course, contingent on mixed agriculture. That is the backbone of the eastern provinces, and it is gratifying to know that in some of the western provinces, particularly in Manitoba and Alberta, there is a tendency toward mixed farming. Possibly in the great province of Saskatchewan it is necessary to farm on a large scale because certain sections are no doubt unsuitable for mixed farming. It is a question as to what direction government policy should take in the future in relation to these large-scale farm operations that extend to 2,000, 5,000 and 10,000 acre farms. As I have said, our unit in Ontario is 100 acres. I do not know what the corresponding unit of the mixed farm would be in the west, whether 320 acres or 640 acres; but most certainly I, as a member representing a rural constituency in the east, regret the tendency to the establishment of farms on a scale where very few people are supported on the land and where operations approximate more nearly the form of mass production carried on through the operation of wide-swathe machines, perhaps operated by absentee owners.

In the past it has been remarked that Canada is the granary of the world. Perhaps in days gone by we could look to such a prospect, but in recent years there have been changes. We have come into competition in world markets; we have come into competition with the United States, Australia, the Argentine, Russia and other nations, great growers of wheat. We have seen our market diminishing; and who can say that when this war is over, the days will return when we can feel that we have any assurance of a market for all the wheat we can produce? This being true, does it not behoove us to endeavour to organize our agriculture so that we may not be building up an enormous excess year after year but may be working out a system in the direction of smaller units and more diversification, spreading this as far as possible to the western provinces as well as Ontario and Quebec, to the end that the farm unit, whether 100 acres in Ontario or 640 acres, say in the west, may be the home and dwelling-place of a family. It would be regrettable if the tendency in our agriculture should be toward depopulating the rural areas and making them merely the site of operation of great power machines.

The difficulty relative to marketing is, as I have said, this competition with other nations. Our surplus wheat must be sold in the markets of the world. We have to compete with the Argentine where the wheat growing lands are close to the seaboard and therefore their transportation costs are much lower than ours, with our great distances from the prairies to the ocean. Therefore I venture to suggest this—it may not be within the realm of possibility at all—that when the victory is won and the day comes to settle the peace, those great wheat producing nations give some consideration to an endeavour to work out plans by which the land in all countries may become more and more a place of homes for the people. After all, surely the intention of the Almighty was that this land should be a place of prosperous and happy homes. I do not know whether it is possible, but it seems to me that this tendency to high-power machines cutting wide swathes across the land should be stopped. Perhaps this could be done by an agreement among all these great wheat producing countries. Far better to have a narrower machine cutting, say eight feet, which is only profitable to operate on a 640-acre farm, than the enormous high-powered machines that com-

plete the whole operation in one day, suitable only for farms which operate on a large scale. If there is any tendency in Saskatchewan to establish 2,000-, 5,000-, and 10,000-acre farms, I think it is greatly to be regretted. I hope that when the peace is being formulated, the other nations will come to their senses and seek some means whereby land will be used for the purpose for which it was intended.

I wish to reiterate my desire to support any possible effort to improve western conditions during this time of emergency. The west has come through difficult times and must be supported. I agree that in a great measure at least wheat is a war casualty, and since we are spending money for so many things we must spend to assist that western country. But I again express the hope that some means may be found to stem the tide running in the direction of large-scale operations and that we may somehow get back to the utilization of the land as a place for homes, for families of good Canadian citizens.

Mr. R. T. GRAHAM (Swift Current): I rise solely for the purpose of adding a constructive and, I hope, a soothing note to the discussion concerning wheat and the wheat farming areas of Saskatchewan. I have listened with great interest to the contributions to this somewhat long debate, particularly perhaps those by hon. members from eastern Canada. Of their remarks I have no criticism whatever to offer; I think I fully appreciate their point of view. I have, however, had conversations with some of my friends on this side of the house who live in eastern Canada and have noted with some concern an attitude of mind that might be described, if it were a matter of war, almost as defeatism, or a sense of futility in approching the problems of the west, as we members from the west think it our duty to do. For instance, they suggest—and I have every sympathy with them—that the western wheat problem occupies too much of the time and attention of this house, in this and other sessions. Some suggest even that it might be better to abandon Saskatchewan, the great plains region—I speak of Saskatchewan simply because I am more familiar with it—as a self-supporting economy, to stop the drain on the dominion treasury and call the whole experiment a day. I use the word "experiment" advisedly, because that is the very point I wish to make to-night, that Canada has been watching and probably for some time will continue to watch the greatest of all national experiments in the attempt to build an agricultural economy which will maintain a reasonable Canadian standard of life in that great plains region. I wish for a few moments to review not only the history of that part of Canada, but to outline some constructive things that have been done to bring that experiment to a successful conclusion.

Hon. members have pointed out that in the Palliser triangle there are roughly a million Canadians, a million human beings who have all the desires and ambitions of Canadians in any other part of Canada. The hon. member for The Battlefords (Mr. Gregory) properly pointed out that it is a very cosmopolitan type that has settled on those prairies; and, as one of my eastern friends agreed with me to-night, I am sure those who happened to note the type of men who made up the delegation which came to Ottawa recently would readily agree that nowhere in Canada could a more stable or finer looking crowd of citizens be gathered together than those 400 men who came from the wind-swept province of Saskatchewan bent on making representations to the government. Is the policy we should pursue now one of defeatism, one that suggests the abandonment of that great experiment which we commenced not so long ago, almost within the lifetime of most of us in this house, when that Palliser triangle was opened up for settlement by hundreds of thousands of people who poured in there to reconstruct their lives and build new homes and new futures?

I must confess that as I listened the other day to the hon. member for Victoria, Ont. (Mr. McNevin), I had to agree that there was a great deal of truth in his statement that the early days, or what he called the pioneer days, of western settlement were comparatively simple compared with the early days of the settlement of Ontario. There were no great stretches of forest to clear; there was no great preparation of the soil necessary. Nowhere, as the Sirois report points out, had any agricultural area of like size ever been developed and brought into such immense production in such a short time. But I would have hon. members recollect that the Sirois report points out one other truth; that until the time the great west was opened up for settlement, both Liberal and Conservative governments, despite the high hopes which were in the hearts of Canadians at the time of confederation, had been unable to get that confederation of the provinces started on the path to prosperity. In spite of every policy that was adopted, the machine seemingly refused to work. But when the west was opened up, it not only marked the opening of a great area, but also marked the commencement of an industrial period in eastern Canada. So, as you would expect, the two meshed together, one development resulting from the other development out on those open plains of the three prairie provinces, perhaps particularly the province of Saskatchewan. As

another hon. member said to-night, immense wealth in the form of wheat and other grains poured out of those provinces. It has been said often that billions of dollars of wealth have been produced and made available to all Canada as a result of the farming operations of those provinces.

Those were the early days; but strangely enough, almost paradoxically, they were not the pioneer days of Saskatchewan's history. The pioneer days unfortunately came after some of the rosy hopes had faded, the hopes that this was a land of milk and honey, that money could be made easily and without any great effort, and that the prosperity which accompanied the opening up of that territory would continue as a matter of course. In fact it was not until 1929 or 1930 that the truth began to come home to the people of Saskatchewan, that they, too, like the pioneer people of Ontario, had real problems to solve before an economy could be found which would satisfy the needs of the country.

I do not propose to-night to touch on great national problems such as tariffs, freight rates, the financial concentrations in eastern Canada, and the impact of these policies upon the west. I wish for a few moments merely to deal with some of the practical problems which were found to exist in connection with that great experiment that we have been carrying on in the west. Drought, of course, has been the great factor in producing many of the problems that confront us, probably the greatest contributing factor to the results we have seen. Following the perhaps overenthusiastic expansion that took place, based as we know now on the too rosy hopes that were held, a great structure of debt grew up. Then the resultant adjustment had to be made, with loss to the eastern investor and terrific loss to owners of farm lands in the west.

But even in the matter of drought, by the use of science, by the study of atmospheric, climatic and soil conditions, we have made very considerable progress. Our experimental farm system has contributed greatly in this regard, in the development of types of wheat suited to particular climatic conditions. I need not relate these developments in detail. The discovery of marquis wheat was of itself a tremendous contribution to the solution of one of the problems of western Canada. But even apart from the development of proper cereals, methods of cultivation have been constantly studied and made the subject of experiment. Through the work of a fellow citizen of mine in Swift Current, Doctor Barnes, who unfortunately was called to his heavenly home before his work was completed, we learned a great deal of the truth that nature has locked up in the laws that apply to moisture conservation. So the system of summer-fallowing, of conserving moisture in the fallow, has been proceeded with, developed and encouraged in western agriculture.

In addition, the programme under the Prairie Farm Rehabilitation Act has been of tremendous help in conserving the water supply, both under the small dug-out schemes and under some of the comparatively large irrigation schemes which have been promoted under that legislation. Just before the house resumed this evening I spoke to one farmer who is visiting in Ottawa, and he was relating to me his own experience. Because of the scarcity of water in his particular area during certain seasons of the year he had to drive some fifteen miles to obtain water. It was brought to his attention under the Prairie Farm Rehabilitation Act that there were possibilities in regard to a small reservoir, and that has solved the difficulty of water supply for him. In addition to the reservoir, in which he collects water by natural drainage, he was able to sink a well and obtain very fine drinking water, filtered by the processes of nature.

We have discussed many times in this house the great advantages that the Prairie Farm Assistance Act has brought to an economy which periodically has been faced with drought periods that have had the result of leaving some people in dire circumstances. In addition, there has been carried on a thorough study of land utilization. In the early days undoubtedly a lack of knowledge of soil types in the west and a failure to appreciate climatic conditions resulted in certain areas being opened up which we know now never should have been developed for agricultural purposes. Soil surveys of the entire province of Saskatchewan have been completed, and there are now on record with the provincial government at Regina, and I suppose here at Ottawa as well, complete results of those surveys showing all the various types of soil which go to make up the huge area of that province. This is of tremendous value in determining the use that should be made of certain types of land. For some years now, under the Prairie Farm Rehabilitation Act, through the cooperation of the municipalities, the province and the dominion, land not suited to the growing of grain has been taken out of actual agricultural production and used for pasture purposes.

The development of such grasses as crested wheat-grass proved of immense benefit in developing the stability of fodder and feed crops in that area. I should like to point out

that crested wheat-grass, like a great many other things introduced to western Canada, is the product of a country the climatic conditions of which are very much like those of our own. I refer to certain portions of eastern Russia, where experiments have been carried on in connection with agricultural problems—carried on not for the lifetime of a person, but for many centuries. So I say to the house that with the agencies of science, set in motion by the government, we are making real progress in at least minimizing the result of recurrent droughts which occur in Saskatchewan.

Rust was probably the next greatest factor in loss in connection with the crops of that province. All hon. members know that science again came to the rescue and evolved rust-resistant wheat. In fact, there are more than one of these types—Thatcher, Apex and Reward are fairly well resistant to rust. I do not believe anyone could compute the value of the discovery of those varieties of rust-resistant wheats in western Canada.

We all know, too, that we are faced with periodic visitations of grasshoppers. There again, entomologists, of the United States and Canada, acting in cooperation, feel certain that with full cooperation of the people in the adjoining states and provinces the grasshopper menace can be not only minimized but almost wholly met. That, too, is a great step toward solving the real problems confronting the farmers of western Canada.

Then, in connection with sawflies, in my own constituency, the dominion experimental farm has for several years been experimenting in the development of a wheat plant with a fairly solid stem which will resist the inroads of the sawfly. It has not yet, of course, reached a state of perfection, but I feel certain and those in charge of experiments assure me that, by the application of Mendel's law, by a continuation of the process of selection and development such a wheat plant can be developed, so that the sawfly menace will be greatly minimized. There has been no difficulty so far in obtaining a firm stemmed wheat; the difficulty has been to have that particular hybrid produce a wheat of a quality demanded of western Canada.

Problems connected with cutworms and wireworms, two very great causes of damage in Saskatchewan, have been under study for many years by experts of the husbandry branch of the dominion experimental stations. It is true that they have not yet found an easy or cheap solution to that problem, and yet I believe science will never give up the task of studying the cycle of life, or the moments of exposure when they can be attacked. I feel that in time those two costly infestations will have been greatly lessened.

The same observation would apply to soil drifting. The soil drifted, of course, after the years of drought during which time it was worked up so finely that the blowing process started, thereby causing great damage to many areas in Saskatchewan. Again, by methods of cultivation, particularly by that of strip-farming and by other means of working the soil in lumps rather than in fine particles, soil drift is gradually being overcome. Again the dominion authorities are playing a great part in seeing to it that any portion of a farm developing the danger of soil drift is immediately looked after, and that rye or crested grass wheat is sown on small portions. Drifting is like an epidemic; it spreads. By sowing these grasses, fibre is put back into the land, and damage to greater areas of farm property is prevented.

It will be noted that the difficulties with which western agriculture is being confronted are being tackled in a constructive manner, and that we are making real progress. We as Canadians, not only as persons from one particular province, should recognize that the million people in that Palliser tract are carrying on one of the greatest experiments in the history of Canada; because, after all, it is on the thousands of individual farms thoughout the province that the real experimental work is being carried on. The wisest of those in charge of our experimental stations readily agree that, despite all their knowledge, all their education and the thousands of experiments they conduct, the true solutions will most likely be found in the experiments carried on by the farmers themselves on the actual farms they are operating. Therefore I believe we would lose a sense of perspective if we were not patient and wise in our day. We must remember that this is a new country, and that it is unlikely we would solve all our difficulties in such a short space of time as the life of one generation. We can, however, hurry the process with the aid of science and that of government agencies. But I do not think we would be unwise enough for a moment to suggest that there is anything surprising in the fact that that great and vast territory has found itself confronted with difficulties, or to suggest that we should for one moment accept a policy of abandonment or of defeatism with regard to that great experiment.

The hon. member for The Battlefords has said that we should be appreciative of the difficulties that those Canadians are facing out west in that great experiment. I have no doubt at all that perhaps not in my lifetime,

but in the lifetime at least of our children, or our children's children who come after us, that that portion of Canada will pay great dividends to the whole of this dominion.

On motion of Mr. Fraser (Peterborough West) the debate was adjourned.

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

Tuesday, March 17, 1942

The house met at three o'clock.

PRIVILEGE

MR. POULIOT—MR. LACOMBE—REFERENCE TO LETTER IN "LE JOUR" OF MARCH 7

On the orders of the day:

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Before the orders of the day are called I desire to rise to a question of privilege, and as the matter referred to is in a French paper I shall have to read it in French. It appears in *Le Jour* of Montreal, Saturday March 7, page 8:

(Translation)

A correspondent writes us as follows:

Are We Playing the Enemy's Game?

La Sarre, Que.,
Feb. 23, 1942.

Dear Mr. Harvey,

After reading in last week's newspapers the subamendments moved in the House of Commons by Mr. Liguori Lacombe and Mr. Jean François Pouliot respectively, it is my opinion that the manifest hypocrisy underlying these amendments is a most disquieting thing for our French-Canadian nation.

And this is the ending of the letter:

This propaganda is certainly of German inspiration and its only object is to create disunity in all allied countries by fostering either racial or religious strife. It seems to perpetuate itself under various forms and I think it is high time our fellow citizens should become aware of the grave danger it presents.

Léonidas Boisvert

I have only one word to say in this connection and that is that Mr. Jean Charles Harvey's patron saint, Voltaire, had adopted for a motto: "Lie and keep on lying, it is bound to bear some fruit." I might also apply to Messrs. Boisvert and Harvey the following quotation also taken from Voltaire: "Is there enough hellebore for so strange a malady?"

I protest energetically against insinuations of this nature and the only thing left for me to do is to mail a seidlitz powder to Mr. Léonidas Boisvert and the remainder of the box, to wit eleven powders, to Mr. Jean Charles Harvey who is eleven times sillier than Mr. Boisvert.

Mr. LIGUORI LACOMBE (Laval-Two Mountains) (Translation): Mr. Speaker, one word on this question of privilege. Every newspaper with the exception of *Le Jour* refused to publish this bit of turpitude from the pen of Léonidas Boisvert of La Sarre. I vigorously protest against this accusation of disloyalty to my country, and I wish to say here and now that without giving undue publicity to *Le Jour,* this person shall be called upon to substantiate his charges before the courts.

WOOL

PRODUCTION, COMMANDEERING AND FIXING OF PRICE

On the orders of the day:

Mr. KARL K. HOMUTH (Waterloo South): Yesterday I asked a question of the Minister of Finance (Mr. Ilsley) or the minister responsible. It was thought possible that an answer might be given to-day either by the Minister of Finance or by the Minister of Munitions and Supply. The question had reference to the wool situation. I wonder if there is anything further on it.

Hon. C. D. HOWE (Minister of Munitions and Supply): So far as I can determine, the action taken was taken by the wartime prices and trade board, certainly in respect of prices. I understand that my colleague has a statement on the matter, but as my hon. friend knows he is unavoidably absent at the moment. Perhaps the information can be given to-morrow.

CANADIAN WHEAT BOARD ACT

PROVISION FOR INCREASED RATE PER BUSHEL ON WHEAT DELIVERED BY PRODUCERS

The house resumed from Monday, March 16, consideration of the motion of Mr. MacKinnon (Edmonton West) for the second reading of Bill No. 13, to amend the Canadian Wheat Board Act, 1935, and the amendment thereto of Mr. Douglas (Weyburn).

Mr. HOMUTH: Might I rise to a point of order, Mr. Speaker? I understood very definitely last night from the Minister of Fisheries (Mr. Michaud), when the house adjourned, that it had been arranged to have certain other matters brought up first to-day.

Mr. MACKENZIE (Vancouver Centre): Bill No. 5 is in charge of the Minister of Labour (Mr. Mitchell), who is at the moment

on the Pacific coast, and by arrangement with all parties this morning it was decided to go on with this debate.

Mr. W. F. RICKARD (Durham): It is not my intention to delay the house on this bill; I shall take but a very few minutes. In fact, I had not intended speaking at all on this wheat legislation. As an Ontario member I was willing to accept the government's proposal as drafted in these bills and let it go at that. Having listened, however, to so much discussion during the last couple of weeks from members on all sides of the house, and more particularly to criticisms that have been made of this legislation by members of the opposition, and having taken part in previous debates on the subject, I feel that as an Ontario farmer I should say a few words.

Since coming to this house about seven years ago I have heard wheat, wheat, wheat for two or three weeks every session. We have talked so much about wheat that we are getting more confused than ever about it. It seems to me that hon. members from the west cannot themselves agree on what they want. The hon. member for Wood Mountain (Mr. Donnelly) said the other day that there are two schools of thought in the west so far as wheat policy is concerned. If I am any judge there are more like twenty-two schools of thought. But the difference between the two schools is found in the question whether we should pay so much an acre or so much a bushel. I can understand that for the big farmer who is growing thousands of bushels, so much a bushel may be preferable, but for the man who produces very little, perhaps through crop failure or some such cause, the other proposal is better; and I intend to support the bonus as proposed by the government.

We hear a good deal about this delegation of four hundred farmers that came to Ottawa, the implication being that they have to come here in delegations in order to get any consideration from the government; that they have to come and demand certain things to get anything done. Some of our Cooperative Commonwealth Federation friends express it by saying that the squeaking wheel gets the grease, the crying baby the milk, and all that sort of thing. I do not believe that is the position at all. I believe the government to-day are doing the very best they can to legislate for the benefit not only of the wheat growers but of all the farmers of Canada. And believe me, it is a big job. The Montreal *Financial Times* had a good editorial on March 13 in which the comment was made that "Ottawa boosts wheat price and east must grin and bear it." The editorial goes on to say that the west has been disappointed that the war has not solved the wheat problem. The bonus on coarse grains to encourage mixed farming is a situation full of paradoxes. The paradox is that we are asking the farmers to grow more wheat, and are taking more wheat from the farmers at a higher price, but we cannot sell it. So far as I am concerned I do not think this is anything to grin about, nor would I if I had my own way accept some of the things that have been suggested. But I have agreed to accept the increase in the price of wheat from 70 to 90 cents and the increase from 230 million to 280 millon bushels, for a commodity which at the present time we cannot sell.

The estimated surplus in Canada for this crop year will be 400 million bushels. The United States and the Argentine will have practically another billion bushels, so that there will be a surplus of available wheat of over one and a quarter billion bushels, enough to do us for two or three years if no more were grown. Someone will say of course that if the war should end soon we would have plenty of markets for our wheat. I agree; but it is not very likely that the war will end soon, and the chances are the government is going to have to pay out huge sums of money to carry this wheat until it is needed. I do not say it will not be needed; eventually I believe it will. But I believe the government has gone as far as it should in raising the price, especially in the face of the need for money for armaments, tanks, planes, guns, ships and implements of war. I think the west should be satisfied.

As an eastern farmer when I go home to my constituency or anywhere else in Ontario I hear the old story, "You can't satisfy the west, it makes no difference what you give them. Why don't the farmers of Ontario stand up and oppose this legislation for the west and do something for Ontario?" Well, we are willing to do what we can for the west. We have always taken that attitude. I think hon. members will agree that when I have spoken in this house, on almost every occasion I have upheld the policies submitted to help the west. I have not agreed with everything, but I think I have been at least reasonable. But our farmers say, "If you give the western farmers 90 cents for wheat, they want a dollar; if they are given a dollar, they want $1.25." That is the attitude the farmers of Ontario take to-day. All the farmers are bonused—we quite agree with that—not only in the

west but in the whole of Canada. The government is spending from the end of July, 1941, to August 1, 1942, over $84 million on bonuses to farmers, of which over $62 million goes to the west. We have bonused coarse grains at $2 an acre, grass at $2 an acre, summer-fallow at $2 an acre—all these things. It makes the Ontario resident, not only the farmer but all Ontario citizens, wonder what we are doing or where we are going with this legislation. A new price is set for wheat, and there is some justification for it; but people compare that with the deficit of the Canadian National Railways, $50 million a year in recent years, and it is suggested that this wheat policy may cost the government $130 million. I am not going to argue whether that is right or wrong. I do not think anyone knows what it is going to cost, but I believe it will cost an enormous sum, considerably over the $50 million deficit of the Canadian National Railways in recent years.

The other day the hon. member for Portage la Prairie (Mr. Leader) said he thought the Ontario farmers were willing to accept dollar wheat; that they would accept anything that was reasonable if the west proposed it. I say right here that we are not accepting dollar wheat, and we are not accepting whatever the west proposes. We have problems of our own in Ontario; the west is not the only place that has a farm problem. We have the tobacco growers, the bean growers and others whose problems have been discussed by other hon. members—

An hon. MEMBER: The apple growers.

Mr. RICKARD: Yes, they have had no assistance of any account in Ontario. It has cost the government of this country very little for Ontario. Most of it has gone to the west and the east.

I have every sympathy for the west. I have visited the west; I have been all through the burnt-out areas in southern Saskatchewan, and I know the condition the people were in when I was there. I have every sympathy for them, and I am willing, as I said before, to support any legislation within reason to help them. But as Ontario members we cannot hand out everything to the west. Someone has said that the Minister of Agriculture (Mr. Gardiner) is from the west and therefore is naturally sympathetic with the western farmer. But I believe that the Minister of Agriculture to-day is doing the very best he can for all the farmers and all the people of Canada, regardless of east or west. More than that, I believe that in this measure he is trying to legislate for the small farmer more than for the man who has 10,000 or 20,000 or 50,000 or 100,000 bushels of wheat. This legislation will help the small farmer, and we are willing to accept it.

Someone has said, what about coarse grains? Well, it has cost the government about $6,000,000 for freight to bring coarse grains down to Ontario. Ontario farmers were glad to get them, yet many hon. members speaking here were opposed to the coarse grain provision. As it happened, this year we were short of feed in Ontario, and many farmers were glad to get coarse grain to feed hogs and cattle and to produce milk, butter and eggs. But those are things that are in demand; those are things we can sell. That is not the case with wheat. The farmers have played a very important part in this war effort, and I know they will continue to do so. The farmers are willing to contribute everything they have toward winning the war. If perhaps they do not get parity prices, they are willing to go on anyway; and I believe the west should adopt the same attitude. We do hope, however, to hear some expression of satisfaction from some section of the west. I predict that if this sort of thing goes on very much longer Ontario may become the depressed province, instead of Saskatchewan, because certainly the west is getting all the legislation for its benefit.

I am not going to take up any more time, Mr. Speaker. As I said at the outset, I had not intended to speak on this question; I had made up my mind to accept the proposals of the government. These bills are to be referred to a committee, where I think all bills concerning agricultural policy should be sent. There we will have ample opportunity to discuss every phase of these bills and, I hope, arrive at some decision that will be beneficial to the farmers of Canada as a whole. May I add that I intend to oppose the amendment and to vote for the main motion.

Mr. VICTOR QUELCH (Acadia): Mr. Speaker, since I am a member of the agriculture committee, to which these various bills are being referred, and since any changes to be made will in all probability be made during that stage of the proceedings, my remarks will be brief.

In passing I should like to make reference to some of the statements of the hon. member who has just taken his seat (Mr. Rickard). I have no intention of entering into any controversy as between east and west; I deplore it when hon. members feel it necessary to raise that issue in this house. I must say to the hon. member, however, that if this agricultural policy for western Canada is costing eastern Canada money, let eastern Canada remember that from 1932 down to the present

time we in the west have been penalized to the extent of around $90,000,000 a year in order to uphold the tariff and fiscal policies of the east. This year we are getting back just a little of what we have given eastern Canada.

So far as the amendment is concerned, I should think all hon. members of this house who have at heart the welfare of agriculture should support it. I am sorry that the majority of western Liberal members apparently feel obliged to vote against it because, as most of them have stated, of political reasons. I should like to take this opportunity of congratulating the hon. member for Portage la Prairie (Mr. Leader) for having the courage of his convictions. This is not the first time he has found it necessary to vote against government measures in this house, and I am sure the people of his constituency must appreciate the fact that they are represented by a member who has sufficient courage to vote against the government when he feels they are not promoting the general welfare of the country.

Western people will very much regret the fact that this government has not seen fit to adopt the recommendations of the various farm organizations of this country who have asked for parity prices. The lowest price that has been submitted by any of these organizations I think is $1 per bushel. I remember that last year the Minister of Agriculture stated no farm organization had said what it considered to be a fair price. That is not the case this year. The lowest price mentioned was $1 per bushel, while some of the organizations asked for more. The price being paid the farmers of the United States is considerably higher than that, about $1.27, and the price that was paid the farmers of Australia back in 1940 also was considerably higher than the price we received then or will receive under this proposal. In 1940 the farmers of Australia received 3 shillings 6 pence a bushel at point of delivery. I know the Minister of Agriculture has said that this amounts to only 63 cents in Canadian funds, but the Australian farmers are not paid in Canadian funds. They are paid in Australian funds, and in Australia three and six is worth 84 cents. That will buy 84 cents' worth of Australian goods; it will pay 84 cents' worth of Australian taxes, and 84 cents' worth of Australian debt. The farmers of that country are not interested in whether or not that will buy only 63 cents' worth of Canadian goods. The price being paid in Australia to-day is three shillings per bushel, which is 73 cents in Australian funds; and again I use Australian rather than Canadian funds. It is true that in Canadian funds that is only 53 cents, but they are receiving not Canadian but Australian currency, in which it is equivalent to 73 cents a bushel.

It is up to the government to decide to what extent it is necessary to restrict the purchases of wheat. But in that regard we must keep in mind the fact that it is very necessary and essential to the welfare of the country that ample reserves of all kinds of foodstuffs shall be maintained wherever possible, so that when the enemy is driven out of the occupied countries those vast supplies may be made available to the people of those countries. That can be held out to them now to show what can be done. The last hon. member who spoke deplored the fact that we were building up these reserves. We should glory in the fact that we are able to do so, because that will be the greatest incentive to these occupied areas to hold out. While it is up to the government to decide to what extent purchases shall be restricted, I should say it is not up to the government to decide whether or not the farmers shall receive a parity price. I say that because it is a very direct obligation on this government to see that the farmers shall receive a parity price. Otherwise they will brand themselves as a bunch of hypocrites. All this talk about a new social order will become just so much blather. Of what use is it to subscribe to the declaration of principles known as the Atlantic charter unless we are prepared to put those same principles into operation within our own country? How can we hope to solve the problems of the world if we cannot even solve our own problems? Surely the first thing to do is to put our own house in order.

Several hon. members have referred to the statement made by the Minister of Agriculture at page 1211 of *Hansard*, as follows:

> We are taking every last dollar out of the treasury of Canada to deal with these problems which we feel it is safe to take at this present time.

That does not mean, of course, that the amount of money being made available for agriculture is all the money the government can get. The government can get all the money it needs for anything. That is not the point, and I do not think that was what the minister meant. I believe the minister meant that this was all the money the government could safely put into circulation without the danger of inflation. In other words, if they paid the farmers more than 90 cents a bushel at this time it would create such an effective demand against our production that it would divert a certain amount of goods from the war effort into channels of consumption. The

government should be in the best position to know whether that argument is sound. Nevertheless, even if that statement be correct, the farmers still are entitled to a parity price. You could either reduce the prices of all commodities down to the level of wheat, or on the other hand you could increase the price of wheat so that it would be in line with the prices of other commodities. If there is a danger that by increasing the price of wheat we might bring about inflation in this country, then I would suggest to the government that the most logical way to take care of that question, in order that the farmer shall receive a parity price, would be to make up the difference between 90 cents a bushel and the parity price by an issue to the farmer of war savings certificates maturing after the war, so that such war savings certificates could not be used for present day consumption. This would provide a sinking fund to take care of any increase in a farmer's debts.

Mr. HOMUTH: What would the parity price be?

Mr. QUELCH: I would say the parity price would be a price to the farmer commensurate with the price he pays for other commodities.

Mr. HOMUTH: What would it be?

Mr. QUELCH: According to the Searle index, I believe it would be $1.20 a bushel.

Mr. LEADER: I understand it is $1.47.

Mr. HOMUTH: How do you figure it out?

Mr. QUELCH: It all depends upon what parity is based on. If parity is based on the 1913-14 level it will be different from the 1926 level. I do not believe the farmer would quarrel if we were to take the price of $1.20 a bushel, a price which has been stated by many organizations as a necessary one. The establishment of a parity price could easily be found out by reference to records in the bureau of statistics.

The minister has repeatedly stressed the point that a higher price for wheat does not help the man who does not raise wheat owing to a crop failure. Unfortunately the minister insists, I will not say deliberately—I do not know—upon confusing two entirely different problems, namely, the problem of a distressed industry and that of a distressed area. These are separate problems, and if the minister tries to deal with them as one he will bring greater confusion that we have had in the past.

The first of these, namely, a distressed industry—in this instance wheat growing—can be met only by paying the wheat growers a price based on the average cost of production. Some hon. members say, "What is the cost of raising wheat when you get only two bushels to an acre?" Well, any hon. member may try to offer an absurd argument, but when he uses an argument of that kind I suggest he is making himself absurd, not the argument. In such circumstances the cost of production would be based upon the average yield. If any land consistently produced wheat at a very low yield, it would naturally have to be taken out of production. Such a price would be based upon the average. As I said to the hon. member who interrupted me a moment ago, the price to the farmer should be commensurate with the price he pays for other commodities.

It is not necessary for me to quote statistics to prove these facts. So many statistics have already been put on record that if one were to attempt to read them it would make him dizzy. What will be the result if we fail to pay the farmer a price based upon the cost of production? We know that in the past fifteen years or so farmers have certainly had to accept prices much below that, with the result that a very large percentage of agriculture is to-day in a state of bankruptcy. We have built up tremendous debts. If we are going to continue to pay the farmer a price which is still below the cost of production, not only will he not be able to pay the debts he incurred in the past, but he will still further increase his current debts.

A few months ago I listened to a broadcast by the Minister of Agriculture (Mr. Gardiner) in which he urged farmers to put their farms on a sound basis and to pay off the debts they had incurred in the past. The wheat growers of Canada will not be in a position to do that unless they receive a price at least equivalent to the cost of production. And, mind you, that will meet only current costs; even that price will not make it possible for them to pay their past debts.

The minister has suggested that the bonus increases the price of wheat by 30 cents a bushel. That sounds all right if you can make people believe it; but we know it is a nonsensical argument, because only one of the three bonuses can in any shape or form be regarded as an increase in the price of wheat. The Prairie Farm Assistance Act merely takes care of low yield. After the amendment now on the order paper is passed a farmer will be able to get a bonus only if he raises less than eight bushels to the acre. In Alberta the average yield is eighteen bushels per acre. So that the majority of farmers will not benefit under that bonus and therefore will not receive any increase in price.

Next we have the wheat acreage reduction plan, which merely compensates the farmer for lost acreage. In the district in which I reside the land is of gumbo quality, and many of the farmers crop their land every year. Someone may say that that is wheat mining, that the land can only stand that for a limited number of years. Nevertheless that is the practice on that gumbo land, and they get good crops nearly every year. If they take a certain amount of land out of production to get the bonus, that bonus does not begin to compensate them for the loss in production of wheat, and it cannot possibly be considered as an increase in the price of all the wheat they raise.

The only bonus which in any shape or form may be considered as an increase in price for wheat, is the bonus of 75 cents, and that amounts to only a few cents a bushel. I insist therefore that the only way to take care of a distressed industry is by giving it a parity price. No bonus as paid to-day will take care of that situation.

I should like now to deal with distressed areas. The most logical way to deal with distressed areas would be by some form of crop insurance. It is true that the Prairie Farm Assistance Act is a step in that direction. Hon. members in this group have consistently supported that measure, although we tried to amend it in certain respects. The fact remains however that the principle of the Prairie Farm Assistance Act has always had our support. It is a very long way, however, from being satisfactory, and will still be unsatisfactory even if the amendment now before the agriculture committee is adopted.

For example, the Prairie Farm Assistance Act does not guarantee to the farmer, who may pay into that fund for twenty years, that if he has a crop failure he will get a single cent of compensation. That condition arises because the settlement is not on the individual basis, but rather on a township basis. The minister objects to the individual basis on the ground that it would in effect be subsidizing inefficiency. I believe that could easily be taken care of if we had a sound form of administration. Thoughout the west committee men should be elected by the farmers in each district to take care of the regulations under this measure. Unfortunately the men who are sent around as inspectors to-day apparently are appointed chiefly on the grounds of their political faith. I believe that is a fair statement; I know it is certainly true in my part of the country. About the only qualification a man has to have in order to be an inspector is to be a good Liberal, and to my mind that has been one of the chief weaknesses of the policies of the Minister of Agriculture in the past. Everything has been regarded by him from a political angle. Every opportunity has been taken to build up a political organization instead of developing a policy which would be of great value to the nation. I am not surprised that the prairie farm assistance organization has bogged down in Alberta—and it certainly has bogged down. Every hon. member from that province is receiving numbers of letters from farmers who say that in their localities there are still many who have not received their payments. The result of having this type of inspector has been the building up of a great deal of antagonism between the farmers and the inspectors, where a healthy spirit of cooperation should exist.

I know the minister is not pleased when we make comparisons between what is being done in Canada and in other countries. He upbraided the hon. member for Battle River (Mr. Fair) when he referred to the policy of the AAA. I should like however to quote from an address made by Mr. Evans, the administrator, before the national AAA conference at Washington in 1941. I suggest to the minister that instead of objecting to statements of this kind he should seek to find in them anything that is good in the administrations of other countries and see if it could not be helpful in solving the problems of this country. By way of drawing a comparison between the administration in the United States and the administration in this country, I quote from page 2 of this report as follows:

> Now, what are our assets? First, we have an administrative organization that deals directly and personally with more than six million farm families. It is an effective organization whose steadily increasing efficiency demonstrates on a grand scale that you can have democracy and efficiency too.

He puts that as the first asset under the AAA, this democratic organization.

> Second, we have the goodwill and respect of the bulk of farmers and of a considerable portion of the leaders of the people. True, we have made some enemies but we have made more friends. Strong friends and strong enemies are a mark of strength. Third, with the assistance of AAA and cooperating agencies, farmers are the best informed large group in America on national and international affairs. Fourth, we have the first large-scale example of a working economic democracy in the world. By economic democracy, I mean the right and the means whereby the individual has an opportunity to share in decisions which affect his economic welfare.

I am not suggesting that we have this condition in the west as the result of the policy

of the Minister of Agriculture; all we have is a large political organization. On page 6 of the pamphlet in which the speech of Mr. Evans, the administrator of the AAA, is printed under date of January 29, 1942, appears the following:

In every county and community, our programme is run by farmer committee men elected by their neighbours. From the ranks of these 130,000 committee men, our state committees are appointed by the secretary of agriculture. Many of the men in administrative, policy forming positions in our department of agriculture are farmers who have come up through the ranks of our farm programme in these past eight or nine years.

For the nation, this investment in farm democracy is already paying dividends. Our whole farm production is now being geared to meet the increased needs of war—food for freedom, we call it—for ourselves and our allies.

Since last spring we have been operating on a basis of selective production.

Last April the secretary of agriculture called for an immediate expansion in hogs, dairy products, poultry, eggs and certain vegetables to meet our rising needs at home and for shipment to Great Britain. Later other commodities, such as soybeans and peanuts for oil, were added. Certain provisions of our programme were modified to encourage these increases. 130,000 AAA farmer committee men went to work to secure the needed production.

Another weakness of the Prairie Farm Assistance Act is the fact that the returns to the farmer are altogether too low. Suppose we were to pay the farmer $1 for his wheat and then institute a system of crop insurance; if it were upon a blanket basis the farmer would not object in the least to paying as much as 5 per cent instead of the 1 per cent he pays at present in order to have a real crop insurance scheme. The Minister of Agriculture summarily dismisses the idea of crop insurance by saying that it would be ultra vires of the dominion. He knows that if the government of this country were really in favour of instituting a form of crop insurance they could overcome any constitutional difficulty. This is what happened in the case of unemployment insurance. They could cooperate with the provinces in order to get the necessary amendments put through.

I think it would be well to place on *Hansard* a brief summary of the crop insurance plan in operation to-day in the United States. This appeared in the Calgary *Herald* in February—I have forgotten the exact date. It reads as follows:

1. Farmers may insure either 50 or 75 per cent of their average yield against unavoidable hazards (not against neglect).

2. Insurance is written in terms of bushels. If a grower suffers loss he is entitled to receive from the reserve an indemnity which in terms of bushels is sufficient to bring his yield up to the insured amount.

[Mr. Quelch.]

3. Average yield is determined separately for each farm on the basis of its actual or approved yield history during the nine year base period covering 1930-38.

4. Premium rate is calculated separately for each farm.

5. County AAA committees calculated insurable yields and premium rates for all wheat farms.

6. Premium may be paid in warehouse receipts, cash or by executing an advance against future payments to be earned under AAA programmes.

7. To obtain insurance the grower fills out an application containing the information as to his intended plantings and pays the amount of wheat specified for premiums.

Of course if such a programme were adopted in Canada wheat could be turned over to the farmer to indemnify him for his loss, and that wheat would be turned in under his quota as set by the wheat board. I do hope the government will carefully consider this matter of crop insurance. The antagonism that exists in eastern Canada would be largely overcome if we could introduce some form of contributory crop insurance. I am not suggesting for one minute that you could obtain from the farmers enough to finance the plan, but you would at least have a plan under which every farmer who suffers loss would get some form of compensation, without any increase in cost to the federal treasury.

In closing I should like to make a few remarks about our general agricultural policy. For a number of years we have urged in this house that a long-term programme should be adopted, based upon international cooperation instead of international competition. We know that international competition can lead to one thing and one thing only, that is, international friction which leads to war. Furthermore, we must realize that it is useless for Canada to act alone. Last year Canada was able to bring about a substantial reduction in wheat production, but what happened? The other three major exporting nations increased their surpluses, so that in so far as the world surplus was concerned we were no beter off. This should be done on an international basis.

I remember the Minister of Agriculture telling the United Farmers of Alberta in January of last year that they should not increase their production of hogs, and yet within six months of that time we were told that we might have to ration our bacon and pork products.

Mr. GARDINER: France fell in the meantime.

Mr. QUELCH: There is always an excuse; the minister is always able to give an excuse for his policy.

Mr. GARDINER: That is not an excuse; it is a fact.

Mr. QUELCH: I suggest to the minister that if it had not been for her financial policy, France would not have fallen. That might not not have happened if they had completed the Maginot line.

Mr. GARDINER: I had nothing to do with that.

Mr. QUELCH: It is right in line with the policy maintained in this country, and the minister is a member of the government. If those in charge of the policies put into force from 1935 to 1939 had been the paid servants of Germany they could not have implemented a policy that would have been of greater benefit to that country.

To get back to my argument, a few years ago the farmers were urged to increase the weight of their turkeys, and about a year later they were actually penalized so much per pound for having their turkeys over weight. In the United States they have gone to even greater extremes. Perhaps the minister will like my criticizing the United States, since I have been praising them just now. He said that the hon. member for Battle River (Mr. Fair) should go out and praise this policy. I would say that our great mistake has been that instead of trying to increase the purchasing power of our people up to a point where it would create an effective demand for the production of the country, we have always tried to reduce our production to meet an inadequate buying power.

To summarize the whole policy of this government in respect to agriculture I am going to place on *Hansard* a little ode. I am not guilty of this sort of thing as a rule; in fact, I have never done it before, but I want to read it because it summarizes so well the policy both of this government and that of the United States. It is from the *Saturday Evening Post,* and is by Ogden Nash.

Mr. JOHNSTON (Bow River): And dedicated to the Minister of Agriculture.

Mr. QUELCH: Yes, dedicated to the Minister of Agriculture. Here it is:

Higgledy piggledy, my black hen,
She lays eggs for gentlemen,
Gentlemen come every day
To count what my black hen doth lay,
If perchance she lays too many,
They fine my hen a pretty penny;
If perchance she fails to lay,
The gentlemen a bonus pay.

Mumbledy pumbledy, my red cow,
She's co-operating now,
At first she didn't understand
That milk production must be planned;
She didn't understand at first,
She either had to plan or burst,
But now the government reports
She's giving pints instead of quarts.

Fiddle-de-dee, my next-door neighbours,
They are giggling at their labours.
First they plant the tiny seed,
Then they water, then they weed,
Then they hoe and prune and lop,
Then they raise a record crop,
Then they laugh their sides asunder,
And plow the whole kaboodle under.

Abracadabra, thus we learn
The more you create, the less you earn,
The less you earn, the more you're given,
The less you lead, the more you're driven,
The more destroyed, the more they feed,
The more you pay, the more they need,
The more you earn, the less you keep,
And now I lay me down to sleep.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, this debate on wheat is a hardy annual. Ever since I can remember, it has been one of the most important topics that has been before the house and dealt with by parliament. I must say that the legislation brought down in this bill, No. 13, is the most attenuated form of legislation dealing with wheat that I have ever seen. I shall have something to say about that a little later, when I come to refer to the orders in council which were passed about the time the minister moved the second reading of this bill.

It is a matter of some satisfaction to me to know that the policy of establishing a wheat board laid down and put into effect in 1935 by the government of which I was a member is, in its broad aspects, the basis of the policy under which the present government has been operating since this war began. And this notwithstanding the attitude of hon. gentlemen opposite in 1935, when, afraid to make a frontal attack, they under the leadership and direction of the present Minister of National Defence (Mr. Ralston), then the financial critic of the opposition, made every kind of flank attack it was possible to make. What followed is a matter of history. I referred in the speech which I made on the first day of August, 1940, on the second reading of the bill then before the house to amend the Canadian Wheat Board Act, to the disasters which followed the ineptitude of government policy, especially in relation to the handling of the 1938-39 wheat crop, when the treasury and the farmers of Canada suffered severe loss, and to the fire sale of good Canadian wheat held at the instance of the govern-

ment, when we sustained a loss of millions of dollars which might and should have been avoided.

Time is a great healer, and in the position we occupy to-day it has brought about some vindication of the position taken in 1935. I desire only at this time to refer to the advice I then gave the government, that "not one kernel of this wheat should be destroyed. It may be needed by suffering humanity before this war is over."

In his speech on the second reading of this bill the Minister of Trade and Commerce (Mr. MacKinnon) emphasized the difficulties encountered over a period of ten years by the dominion government in dealing with this problem. This proves that the problem is not primarily a war problem but one of long standing. He laid down the principle that it was possible to decide upon each year's programme only after weighing all factors capable of measurement or accurate appraisal. This means that the government believes it is not possible to lay down a wheat policy for the duration of the war. From that view I respectfully dissent.

It seems to me that if we are to know where we are going, if our wheat producers are to plan intelligently, instead of awaiting anxiously each year an announcement of government policy, the government should if possible lay down a policy visualizing the war period, with no very material changes as regards marketing abroad in sight. This in order that the wheat producers, the persons most affected materially, may be in a position to know what they can count on, what they can do, and then can plan accordingly—that is, if they are to continue producing wheat, even with production reduced. We now know all the factors except the volume of the new crop each year, and the duration of the war.

Just at this point and in this connection, there would appear to me to be one fundamental consideration. During the period of the war the purchase of 280 million bushels annually would appear to be an economic necessity if the farmers of the west are not to be compelled to go on relief. If in any year the surplus on hand at the end of the crop year falls below the amount of 400 million bushels, additional wheat could be bought to bring the surplus up to that figure. But any quantity over and above the amount of 280 million bushels should be produced only at the risk of the producer and without obligation on the part of the board to purchase.

Frankly I think the minister will find that the farmer is not satisfied with the price of 90 cents f.o.b. Fort William. It is a compromise. The price structure thus established is not to be confused with grants under the Prairie Farm Assistance Act, which are in an entirely different category and made on a different principle. The established price does not bear any relation to the grants under the Prairie Farm Assistance Act except in one respect, that is, the gross income of the prairie farmer.

Before entering upon a general discussion of the bill I should like to make some reference to the speech of the Minister of Agriculture (Mr. Gardiner) on the tenth instant, arising out of the amendment to the bill proposed by the hon. member for Weyburn (Mr. Douglas) and now before the house.

The minister, with his usual adroitness, attempted to show that in every line of major agricultural production except wheat there exists to-day parity of prices. That may be true in part, but if so, it is only of very recent occurrence and was not true either in whole or even in part a year ago. It was not true in April, 1941, when the hon. member for Lake Centre (Mr. Diefenbaker) moved his resolution for parity of prices on a motion of the Minister of Finance to go into supply. On that occasion every member of this house supporting the Liberal party voted against the principle of parity prices, a principle which the minister now seeks to convince the house is the policy of this government. But with respect to wheat, the minister had no case, and admitted it. In fact, he said there was no parity but that the price would be brought up to parity as soon as financial conditions warranted. Having regard to the way in which the government has wasted money on certain activities—one and a quarter million dollars for the plebiscite, and others I could mention—it occurs to me that the minister's plea for delay was entirely beside the mark.

The minister is a past master at special pleading. His defence against the amendment was in effect what we old common law lawyers call a plea of confession and avoidance. He admits the allegation in the declaration and then seeks to avoid the consequences by suggesting that we wait and see what will happen another session. It was clever, but to me it was not convincing. The minister made much of the assistance rendered to the western farmer under the Prairie Farm Assistance Act and sought to convey the impression that the grants under that act were in effect an additional price for wheat to the producer. I do not so interpret the principle of that act. It is in my view in essence a relief measure. We have not opposed that principle, but we

have endeavoured to show that the cost of administration is abnormally high, that the staff constitutes a huge political machine, and in its incidence it is inequitable.

I suggest to the minister that the true principle upon which it should operate is that individual necessity resulting from loss of crop, compensated for by the act, should be cared for on the basis of each individual need rather than by blanket legislation administered by a political machine. The result has been that considerable payments have been made to individuals who should be carrying themselves instead of drawing upon public funds needed for war purposes. I am informed that this legislation gives public money to some individual farmers who are in a position to carry on out of their own resources. The same applies in some instances to the provisions of last year's grants for summer-fallow, under which some large farm operators have been paid for following farming practices which good husbandry requires that they should do anyway and which they are well able to do.

The Minister of Trade and Commerce (Mr. MacKinnon) predicated his remarks on five major factors which he said had to be considered. He itemized these on March 9 on page 1120 of *Hansard*. Some of them are of major importance and some are not. He dealt with the carryover, the well-being of the economy of the prairie provinces as well as of Canada as a whole, the extent to which the dominion government could act in respect of the wheat problem, without detracting from our immediate objectives in respect of the war —this is always a cloak of government policy— and then export markets, and so on. There is a further major consideration to which the minister did not refer, and it is this: that in arriving at a decision to raise the initial price from 70 to 90 cents, regard had to be given to the policy of the government with respect to the maintenance of the price ceiling structure.

That you cannot have your cake and eat it too is a trite saying, but the principle is involved in this matter. I can imagine the controversy in the cabinet between those who wanted to maintain the price ceiling structure on, say, bread, and those who, for various reasons, both economic and political, advocated a higher price for wheat. In this connection may I refer to an article sent out by the *Star* syndicate early this month to certain newspapers across Canada, in which the following appears:

On the one hand Hon. J. G. Gardiner and the block of 15 Liberal Saskatchewan members have been exerting pressure on the government which savors of an ultimatum. It is known that the Saskatchewan members have discussed crossing the floor of the Commons to the opposition benches and that word of this probability has been communicated to the cabinet.

On the other hand, determined to maintain the price ceiling, Donald Gordon, chairman of the wartime prices board, is standing firmly against any boost in price of wheat just now. There has been talk of Mr. Gardiner resigning unless something is done, and of Mr. Gordon relinquishing his post if the prairie demand is met.

I shall not comment further.

It should be distinctly understood that a policy of a parity price for wheat should be for the duration of the war only and for a reasonable time thereafter. When that time comes, the whole policy should be thoroughly reviewed and overhauled. This country, an agricultural country, cannot go on indefinitely with a bonus policy. It is uneconomic and unsound, and, in the minds of many thoughtful agriculturists, would be doing a distinct disservice to agriculture itself.

To-day there are many forms of agriculture which are receiving no assistance whatever. I instance the potato industry in my own province, which has not received any assistance and which has passed through a very trying time in recent years.

The picture painted by the minister of our carryover is not too bright. As at February 1, according to information which I have from the *Monthly Wheat Review,* the visible supply available for export was 535 million bushels. What is the estimate of export from now till the end of the crop year? Twenty million bushels per month? This is very doubtful in view of the submarine menace. The Canadian carryover may reach 450 million bushels. Certainly it will not be less than 400 million bushels. The United States carryover is estimated at not less than 600 million bushels, and it may be more. The United States and Canada together will have at least 1,050 million bushels between them, and perhaps much more. The Argentine and Australia have a carryover of from 300 million to 400 million bushels, or a grand total of say 1,400 million bushels as a minimum.

I suggest to the house and to the country that that is not an attractive outlook for the immediate future having regard to the severe restrictions on export and lack of available markets. Notwithstanding all this I think it is the part of wisdom that Canada should continue to produce wheat in such quantities as will ensure a reservoir of food for domestic purposes, for use by the people of Britain and against the time which will surely come when it will be required for the starving peoples of Europe, provided of course—and I put in this proviso—that the surplus in this country should not exceed that now on hand.

In this connection may I ask the Minister of Agriculture and his colleague the Minister of Trade and Commerce if they and the government have been exploring the possibility of contributing to a general international reservoir of food supplies? This question was raised recently by the Vice-President of the United States, Mr. Henry A. Wallace, himself an authority, and it is well he did so; for a general reservoir of foodstuffs is going to be required in this war-ridden world, and in such a reservoir there is no one commodity of more general or better use than wheat.

In considering this question of carryover it must be borne in mind that both the United States and Canada will, by August next, have new harvests on their hands; and that is an important factor. The western farmer is prepared to reduce his wheat acreage provided he is paid an economic price for his products. But with reduced production he must have an economic return for what he does produce.

I suggest further that it is sound economic policy that the western farmer should not produce more than can be marketed for export and domestic consumption. But if he is to be kept on the land he must be paid a price that will permit him to maintain himself, and 90 cents, with reduced production and with quota restrictions, would appear to me to be too low. And mark this: the farmer's costs have been going up and will go up all the time, price ceiling or no price ceiling, and the labour shortage at the next harvest will again increase his costs.

We in this house should also realize that the real wheat area in western Canada is not suitable for mixed farming—at least I have come to that conclusion after having seen it—and that there are large areas in the west which must depend on wheat and wheat alone. I am prepared to accept that position; I think Canada should accept it. To me it appears almost wicked to reduce production of first class foodstuffs when it is known that so many millions are starving and will starve before this long war is over.

These are two points of view. But we must be realistic. We know that our production cannot be delivered to these starving millions. We must also be realistic, knowing that the war has not been the cause of these carryovers. We had them long before the war; they are attributable in part to pre-war economic policies of continental Europe and in part to the ineptitude of this government in handling the problem in the years immediately preceding the war. Even if peace had prevailed we should have had an enormous surplus of wheat in Canada. The war did not cause the wheat problem of 1938 or 1939; we had it then because of the policy of this country at that time, or rather the lack of any realistic policy. Therefore I think we should decide to carry the surplus now in sight, but should not permit it to increase beyond its present or anticipated level; and we should have some control of production and a higher price for what is needed for home use and export.

When the wheat board was set up in 1935 the initial price was fixed by the Bennett government at 87½ cents a bushel f.o.b. Fort William. We are only now approaching that price; and that was at a time when the cost of production was much less than it is to-day. The 1942 crop may be below normal, and we may be able to afford to take some chances on a decrease rather than have an increase above our present load of carryover. The Minister of Mines and Resources (Mr. Crerar) referred to that possibility yesterday, judging from moisture conditions in the west last fall. That may be. We may be able to gamble something on that. But this country should decide to produce only sufficient for domestic use plus a reasonable amount for export, which the minister and the government have placed at 280 million bushels, if I understand it correctly. In any event this year's crop should not exceed 300 million bushels; that would appear to be ample and more than ample.

Here I pause to ask the minister, in connection with the export trade, whether he is aware that the United Kingdom are taking steps to increase production on their own soil this year, and whether he is aware, as of course he must be, that the government of the United Kingdom is taking steps to decrease the consumption of wheat flour? These are matters which cannot be ignored.

I pass now to another subject. We should not visualize a policy of production of wheat in order that it may be fed to hogs, because barley and oats are a cheaper crop and a more satisfactory feed. In passing I should like to raise another question which I believe is giving some concern in certain quarters. I ask the ministers, what has been done by the Department of Agriculture and the Department of Trade and Commerce about conserving seed barley and seed oats? It has been reported to me that a dominion government representative visited the prairie provinces at least three months ago to inquire into the position of seed barley and oats; it is understood that these seeds are scarce, and nothing appears to have been done about it. Perhaps the ministers will enlighten us on that point.

I offer this suggestion. The acreage of these feed grains should be increased to

offset the reduction in wheat acreage. The policy enunciated by the Minister of Agriculture would appear to encompass that policy. The only solution from the standpoint of the western farmer therefore seems to be to reduce the wheat acreage materially and increase the acreage of oats and barley. This involves the payment to the wheat farmer of a sufficiently high price to give him a fair return, and it is represented to me that at least $1 at the country elevators would not be any more than ample.

Encourage increased acreage of barley and oats, and build up farm stocks of these feeds in order to increase, within reasonable limits, hog and dairy production. These, as well as wheat, are the foods that the millions suffering and dying from malnutrition will want as soon as possible after the sea lanes are opened. People in starving Europe cannot live on starch alone. They have to have other foods as well.

The weakness of the present policy is that it is not based on any long term plan. It is a piecemeal policy. That seeems to have been the position ever since the war began. If you visualize the 1940 policy, the 1941 policy and now this 1942 policy you will see it is and has been merely a piecemeal policy, not based on any general principle but designed to meet only a temporary situation and to yield, grudgingly though it may be, to the demands of the western wheat farmer. My understanding is that the government's firm policy was to fix the price at 70 cents plus a bonus, and that, as I understand it, would have been in conformity with the price ceiling policy.

The wheat farmer, I am told, does not like the bonus. He looks upon it as a handout or charity, and as he is a self-respecting man no one can blame him. He wants, and rightly so, something like a parity price for his product. He wants to be treated as nearly as may be on the same principle as labour and industry are being treated by the government during this war. But, I ask you, is he? I think the answer is obvious. There is ample evidence in the proceedings of this parliament alone that the government's policy was a low initial price plus a bonus.

How can the government pay the farmer $1 or even 90 cents for wheat and maintain the price ceiling? I put that question to the minister. The answer would appear to be that it cannot be done without either raising the price of bread or handing out a bonus to someone on the way down, either the miller or the baker. Apparently the government, being on the horns of a dilemma, has chosen the latter course. When the Prime Minister announced the price ceiling policy last autumn with such a flourish of trumpets it was stated definitely that it would be maintained at all costs. The price ceiling was announced at a time when the price level was uneven, especially so with respect to wheat and certain other farm products.

I know it was so with respect to the farm products of New Brunswick, potatoes and hay. A ceiling was put on hay based on the price between a certain date in September and a certain date in October, just after the new crop had come in, when every year so far as I can remember hay is at its lowest peak. Was that fair to the hay farmers of the Saint John valley? No attempt was made to arrive at a fair and uniform price structure before the plan was put into effect. This left so many inequalities that every month since the Prime Minister made his announcement there have been alterations in the ceiling, generally upward.

What does this mean? It means that the whole scheme has been a system of trial and error, not based on any principle. It was announced as a means of preventing inflation. Well and good; but its effect has been to freeze wages, with the cost of living bonus a sop to labour. The people who had to suffer most were the primary producers, and in particular the producers of foodstuffs, of whom the chief was the wheat farmer. He has been the chief sufferer.

I raise this question at this point: Was any consideration given to the price of wheat when the ceiling price policy was put into effect last autumn; and if not, why not?

Mr. GARDINER: The Prime Minister said so, in his statement.

Mr. HANSON (York-Sunbury): Well, then, what consideration was given to it? They did not fix a fair even price. In the struggle to prevent inflation, in the attempt to freeze wages, why was not consideration given in setting up this national price plan to fixing a parity price for wheat, or something approaching a parity price? It could have been done much more easily then than now. Had it been done at that time I am convinced that the western farmer would have had $1 wheat, and there would have been no great storm over it in eastern Canada, either. It would have been relatively easy to do it then, and the consequent adjustments could have been made without any great disturbance. But the mechanics of the situation have been reversed, in an effort to get what the western farmer thinks is only justice,

having regard to the position of the wage-earners and industrialists of Canada. That was one reason why the Saskatchewan farmers came to Ottawa early this session and presented their case. I have never understood, Mr. Speaker, the criticism that has been directed from some quarters against those gentlemen coming down to Ottawa on that pilgrimage. As I view it, their whole future is at stake, and surely it is their right to carry their grievances to the foot of the throne, like any other subject.

It must be borne in mind that while the price of 90 cents for wheat announced by the minister represents a floor, it is in effect a ceiling too. The farmers of western Canada should not be led to expect very much spread between this floor and a ceiling; in my view there is no spread at all. You cannot operate a national price structure such as we are attempting to operate in Canada, and leave certain important commodities, such as wheat, to run wild. If there is much likelihood of an upward trend in the open market, what will happen? The grain exchange will have to be closed, as it was in the last war. This statement, of course, is predicated upon the assumption that a rigid price structure is to prevail.

Now, presumptuous as it may seem, I have a word to say to all the farmers of Canada, and it is this: that in this war period they should avail themselves of the opportunity to inform themselves fully with respect to a national price plan and what its effect is and will be upon them. I assert that they are now pinned under such a plan. The basis and objective of that plan at the moment is to help beat Hitler. But if we are to have a planned economy after the war; if we are to have a national plan fixing prices, such as our friends of the Cooperative Commonwealth Federation are urging should be put into effect after the war, is it not likely that among the problems, all much less urgent than the war, the most pressing and urgent would be those of employment in large centres and problems arising out of the pressure of organized labour, concentrated industries and other like situations; and would not the farmers of Canada generally find themselves out on a limb, as the wheat farmers of the west find themselves to-day? There is some food for thought in these questions for those who are considering a planned economy after this war, and I offer them on the theory and in the hope that they will provoke thought and discussion in this house and elsewhere.

If we are to maintain the economic unity of Canada we must not only be sympathetic to the position of the western wheat farmer; we must be practical and realistic, and help him. He has made a wonderful contribution to the upbuilding of Canada in the good days of other years; I have always recognized that since I have known anything about the situation. And he will, I feel sure, if given the opportunity, continue to build up and strengthen the economy of this nation. I believe he has the will to do, and I have spoken with many farmers; but in these trying times he must be assisted. The question is one of ways and means. Eastern Canada, industrial Canada, has much to gain by supporting him, and conversely much to lose if he fails. I believe eastern Canada will take the long view and will support him.

In this connection it is very interesting to observe the reaction of eastern Canada to the increased initial price announced by the government. I am going to give only one citation, though I could give many. There are people in this house, some of my hon. friends to the left, and I have heard it from hon. gentlemen opposite as well, who in speaking of the Montreal *Gazette* commonly credit that journal with being the mouthpiece of the so-called big interests of Canada. In a leading editorial in its issue of March 11, under the caption "More Help for the West" the *Gazette* had this to say, and I am going to ask hon. gentlemen to listen:

> The new measures adopted by the government for the benefit of western agriculture must not be judged from any narrow point of view. If production in the prairie provinces—better balanced due to this and earlier legislation—means a greater national war contribution, that fact alone will go far in justifying steps which under normal conditions might be open to serious criticism. There can be no doubt now that agriculture, not in the Canadian west only but in every part of North America, has an important part to play in feeding allied nations overseas which are no longer in a position to meet their own requirements. This was stressed Monday night by President Roosevelt, Vice-President Wallace and Secretary of Agriculture Claude Wickard, speaking on the anniversary of the national farm programme. Mr. Wickard said then that from accumulated stocks under this programme the United States had been able to send as much as 1,200,000 long tons of food under lend-lease in the period between last spring and February 1, this year, foods without which "it is unlikely that Britain could have withstood the battering which she has received at the hands of the enemy."

And a little further on:

> It was axiomatic in peace time that good times in the west meant good times everywhere in Canada. The eastern industrial areas benefited directly from any enlarged western purchasing power and the benefit reached into all business and professional fields.

That does not look like antagonism. It is an evidence of enlightened opinion in the east,

and I commend it to those who are always harping on the alleged attitude of eastern Canada toward western agricultural problems, and who for some ulterior motive endeavour to set east against west and west against east. Let us have an end of that.

It has been emphasized all through western Canada, as well as in the east, that when the Saskatchewan delegation came east there was no compromise which would be acceptable and that what they urged was the minimum with which they would be satisfied and could carry on. It is now quite plain that what is offered is a compromise between two conflicting views. The government was confronted on the one hand with these demands for increased price, and on the other with the necessity of maintaining its own policy of price ceilings, and after much travail and change of policy this compromise emerged. Like most compromises, it is not likely to please anyone—or, at least, very few. It is better than a fixed low price plus a bonus, but it falls short of what is required.

Unquestionably the government had decided on a policy of a fixed price of 70 cents, or thereabouts, plus a bonus. This was indicated by the resolution as first placed on the order paper. But this met with such opposition that it was changed, after what must have been an ultimatum to the government. The change of policy resulted in a compromise.

The principle of maintaining the price ceiling is almost sacred to the Prime Minister and his government. To try to find a formula which would give the wheat growers more money and at the same time not violate that sacred principle has no doubt been difficult, and the result is exactly what was expected by intelligent onlookers. We have a compromise which will not please anybody.

I should like to emphasize the idea that whatever loss is incurred in connection with the raising of the initial price of wheat should be considered a contribution of the Canadian people. The additional difference between 70-cent wheat and a parity price for wheat is a loss which heretofore has been imposed on the wheat producer. That should not be.

If we are to concede the principle of a parity price for wheat, as may be inferred from the speech of the Minister of Agriculture—when the time comes—then it should be contributed by all the people of Canada and not by the producers themselves, or by any limited class of our population, unless, of course, it can be demonstrated—and this is an overriding proviso—that the spread between the cost of the ingredient and labour on the one hand and the price of bread on the other is so great that it may be absorbed in that quarter. The committee on agriculture, to which the bill is to be referred, should examine those costs and let the people know just what the spread is; and if there is a disparity, it should recommend measures to correct the position.

We shall support the amendment because it is in conformity with the principles we espoused a year ago and which the government rejected. We support it on the theory of war necessity.

This bill and its companion bills 12 and 14 had their first reading on the 6th of March and following days.

On March 5 the governor in council, while parliament was in session and while the bills were in the resolution stage, passed P.C. 1636, under the authority of the War Measures Act, prohibiting the removal of flax from any elevator or mill in Canada without the authority of the wheat board. This was an emergency measure. I do not criticize it, because I deem it a proper use of the power vested in the executive. It had to be done promptly. But listen to this: On the 9th of March, the very day the minister moved the second reading of Bill No. 13, there were passed on his recommendation four orders in council, P.C. 1800, 1801, 1802 and 1803. These orders were laid on the table only yesterday. They give the widest possible powers to the wheat board, over and above those contained in the Canadian Wheat Board Act itself—powers never contemplated by the act; powers which in most instances should be the subject of legislation, if required, and which should have been incorporated in the bill at present before the house. These measures are not merely administrative. I have read them carefully; they are in part legislative enactments. I protest against this procedure. Once more parliament and this House of Commons is treated with contempt.

How different was the position in 1935 when the legislation was set up. The present Minister of National Defence, then the mouthpiece for the grain exchange and the other big interests from Winnipeg—

Mr. MACKENZIE (Vancouver Centre): Order.

Mr. HANSON (York-Sunbury): Oh yes, we saw them here; I know what went on—being unwilling to strike at the principle of the measure, or being fearful of the results of opposition to the principle, demanded that the bill go to a select committee, and then insisted that certain substantive portions of the measure should be inserted in the measure itself. That was quite proper and was quite properly agreed to, and that was done. What

is the position to-day? Here we have a bill of two short sections effecting a change of two words in the act—that is all; read it for yourself—while by order in council the minister is enacting additional measures and giving to the board vastly increased powers behind the back of parliament while in actual session. That is not straining the position; it is the truth. What a travesty on parliamentary government! There can be no excuse for this; it is a flouting of parliament.

I shall not enter into a detailed discussion of these orders in council; it would take too long. But I ask hon. members to read them. They are numbers 1800, 1801, 1802 and 1803 passed on March 9, and laid on the table only yesterday. Anyone may see them. I ask the members of the standing committee on agriculture to examine them with care. I know it will be said that the powers are limited to a year, and a year only from the first day of August next. Well, whoever thought that we could not limit the operative period of legislation in a bill introduced in parliament? The answer that they are temporary measures is a stupid answer; it is not an answer at all. It does not alter the principle for which I am contending. We can enact for a year, if we wish; and there was no need of haste, because they do not come into effect until August 1 next.

The powers of the wheat board are now to be almost unlimited; and what do we know of the operations of this board? We do know they are a government agency operating a huge business, but the light of day is not let in on their operations. We do know they are piling up a huge liability for this country without any control or say by the people's representatives.

If the house will bear with me I propose for a few moments to analyse in detail some of the operations of the board. The Canadian Wheat Board Act, 1935, was in the most explicit terms restricted to the buying of wheat from producers only; to pay producers in cash, and to hold the producer's warehouse receipt until an outright sale of the wheat was made. That was fairly simple and very logical. The whole intention of the act was to get the wheat into consumption channels, to the exporters and millers, and it was to do so through established open market trading facilities. It was to sell to real merchandisers, and the wheat was to be sold outright. When a sale was made it was not to be made to a warehouseman. If the board were to hold the producer's wheat beyond fifteen days, the board would pay storage until such time as a sale was made, but once the sale was made the board was to be clear of all further commitments and all storage and other like charges were to be received from the merchant who had bought and owned the grain. I refer hon. members in particular to subsection (b) of section 7 of the Canadian Wheat Board Act.

[Mr. R. B. Hanson.]

Let me give the house and the country an example of a buying and selling transaction by the board, as I think all of us understood the function of the board at the time the act was passed. I am told that to operate a country elevator costs about $1,200 a year. This includes operating costs, repairs, upkeep, et cetera. In normal times elevators at country points do not earn storage, and terminal elevators east of lake Superior had, in the past, hardly counted on storage in any substantial way. The terminal elevator earnings were predicated on the handling of grain in large volume. In point of fact, to obtain volume they frequently waived storage charges or fixed them at small rates of one-eighth to one-fourth of a cent per bushel. The country elevator man who receives the grain direct from the farmer, having quite limited possibilities of turnover, is paid a substantial handling charge, I believe of 2¾ cents per bushel.

As the act was intended to operate, the board's transaction would take this form. It would appoint a local elevator to receive the farmer's wheat on its behalf, pay the farmer the fixed price and hold the warehouse receipt as the agent of the board. If a sale were not made within fifteen days, the board would then become responsible for storage until such time as a sale was made. Once a sale was made, however, the board had nothing further to do with that particular quantity of wheat. The merchant or the miller who bought it was to be responsible for all subsequent charges and had to provide his own price insurance as well. I am sure that the term "price insurance" is well understood by the western members. This merchant provided his price insurance by making a sale of the wheat deliverable at the next futures closing date and at a price sufficiently increased to cover his commission and expenses to that advanced date.

At this point I should like to emphasize that it was just such transactions as these which demonstrated the usefulness of the grain exchange. If anyone wants to elaborate on that, let him read the Stamp report. Skill and resourcefulness on the part of the man on the trading floor was what these merchandisers had to count on in order to make a profit; instead of being in the red, at the time when the grain exchange was on its own, so to speak, and before it became a mere shadow of the Canadian wheat board, as I shall describe it later to be. I am one who believes that the Winnipeg grain exchange served a useful function in normal times, and I still believe that it can

serve a useful function if it is left in a position to operate in such a way that resourcefulness and alertness count, where the living of the man on the floor depends upon his skill rather than upon his relationship to the board or to the government that directs the board's policy.

Let me give you now an example of how this board operated under the chairmanship of Mr. Murray, and how it still operates. I ask hon. gentlemen to be good enough to follow me through this intricate transaction. In the first transaction, that is, the buying of the producer's wheat, there is no substantial difference, but it is in the taking of the next step that the act has been violated and the board permitted to operate illegally. I have no doubt about the justification for that statement.

Mr. NICHOLSON: Illegal?

Mr. HANSON (York-Sunbury): I am sure that what the board is now doing is illegal. It is against the whole spirit of the act and I believe that if it were submitted to the courts of justice it would be found to be against the letter of the act. When the board now makes a sale of the producer's wheat, instead of making it to a merchandiser who will be responsible for the wheat which he buys, the board buys back the wheat for delivery to the board at the next futures closing date. In reality it is not a sale at all. I would not even call it a wash sale. Generally it is made to an elevator company and since the spreads between one futures closing date and another are fixed and well understood, it is a mere matter of bookkeeping so far as these operations are concerned. There is no change in the position of the wheat, no risk is involved, no money passes and no skill is required for the transaction.

An hon. MEMBER: Commissions.

Mr. HANSON (York-Sunbury): I am coming to the question of commissions quite soon. Let me emphasize this feature of the present board's modus operandi. Let us assume that the farmer has sold a quantity of wheat to the board's agent, the country elevator, in September, 1939. On the same day as the board sold that wheat, it bought it back from the supposed merchandiser—bought it back for delivery to the board in December, the next futures closing date. At this point three commissions have been paid, the first to the elevator man by the farmer, a second when the board makes the sale and a third when it buys it back. We are all aware that there are four dates for closing outstanding contracts on the Winnipeg grain exchange. These are April, July, October and December and during every year the board carries these future contracts it pays eight commissions. Get that, please. If it carries the contracts for three years it pays twenty-four commissions. Believe that, if you will. It is this load of interest, insurance, storage charges and commissions that is driving the price of wheat down to unconscionable low levels in Canada, and these commissions are paid for transactions which are mere bookkeeping transactions between the board and the elevator companies.

I know that an opinion has been filed to the effect that such a procedure is permissible under the section of the act that enjoins the board to use the facilities of the trade. If you want to see the justification, just read subsections (i) and (j) of section 8 of the act. That does not bear out the theory under which they are operating, it simply lays down the principle that they are to use the facilities of the trade. It is nothing more than that and it does not enable them to do what they are doing. I say with the greatest possible respect that I disagree with the gentleman who gave that opinion. I say, further, that the action of the board in buying back these contracts is a violation of the letter and the spirit of the act on the part of the board and on the part of the government that acquiesces in such a practice.

I have in front of me the report of the Canadian wheat board for the crop year 1939-40. Exhibit "D" to the report covers grain operations on the 1938 crop account from August 1, 1938, to July 31, 1940, a period of two years. I quote the following item:

> Delivered through the clearing association against long futures contracts held by the board, at prevailing market prices.
>
> 4,842,000 bushels, then valued at $2,359,135.48

—wheat, I take it, that was delivered to the board, not by producers but by others from whom the board bought for future delivery. Clearly this does not represent a purchase from producers and is thus an illegal transaction, contrary to the terms of the act.

I believe, further, that this practice is the root of all the evil that has recently crept into the board's operations. Most of the statistics I shall use are taken from the 1939-40 report and are in respect of the 1938 crop account. Corresponding statistics for the 1939 and 1940 crop accounts can be found in the report for 1940-41, but I shall not use them because I do not wish to give too many statistics.

Furthermore, at page 32 of the report first referred to I see in exhibit "C" a statement of grain operations, western division, for the crop year ended July 31, 1940, as follows:

> Futures contracts—exchanged against cash wheat sales.

243,347,000 bushels, valued at $191,687,487.50. We are dealing with the 1938 crop account. It will be remembered that by reason of the refusal of the governor in council to approve unconditionally the price of 87½ cents fixed by the board in the second year of its operations under this government, the board was practically out of business for two years, and it came back into operation in the fall of 1938, having then fixed a price of 80 cents a bushel, which was approved in the ordinary way by the governor in council. You will recall that was the year of a big crop.

I notice that exhibit "D" to the 1939-40 report covers grain operations of the 1938 crop account over a period from August 1, 1938, to July 31, 1940, two years. This exhibit first sets out wheat acquired in the amount of 297,416,748 bushels to the value of $221,840,906.25. I want the Minister of Agriculture to follow me. Of this, nearly five million bushels was acquired against the board's long futures contracts in the way I have mentioned and the balance taken direct from producers.

The next paragraph is headed, "Wheat Sold". It gives the sales value of "the above cash wheat, at realized prices"—I suppose that mean prices realized in other sales—"basis in store Fort William/Port Arthur or Vancouver" at $166,756,130.60—the difference of some 55 million dollars roughly corresponding to the difference between the fixed and open market prices over this period. It then goes on—and this is an astounding thing—to add to this another item of more than 15 million dollars, which is described in this way, and I ask the house to follow this:

Profit on sales of futures contracts acquired in exchange against cash wheat sales.

in the amount of 277,576,000 bushels. These are wash sales backwards and forwards, when there is no real transfer of money or physical possession of the wheat.

Mr. CRERAR: What year was that?

Mr. HANSON (York-Sunbury): I am dealing with exhibit "D" to the 1939-40 report. If the minister will read my remarks afterwards he will follow me easily. This is intricate and I do not want to be interrupted more than is necessary. I will give that again.

Profit on sales of futures contracts acquired in exchange against cash wheat sales.

in the amount of 277,576,000 bushels. Now I put this question to the government, to the Minister of Trade and Commerce, to the Minister of Agriculture, and to his colleague who sits in front of him (Mr. Crerar): Does that mean that the board bought back for future delivery this amount, 277,576,000 bushels of the 297½ million cash wheat that it sold, and that the 15 million dollars represents margins arbitrarily fixed by the board between cash and futures prices? If that is what it means, it is an arbitrary $15,000,000 set up. That makes a deficit of $39,814,161.45. Then there follows this remarkable paragraph of details:

Add: Carrying costs, interest, administrative and general expenses, etc.		
Carrying charges:		
Carrying charges on wheat stored in country elevators..	$6,386,756 14	
Storage on wheat stored in terminal elevators.....	2,271,506 85	
Then note this gem:		
Transfer of futures to deferred months.....	7,035,707 50	$15,693,970 49

The items so far given make a total of $15,693,970.49. Remember, there was a deficit above referred to of $39,814,161.45. I continue with this table of details:

Interest and bank charges.....		$ 2,950,762 63
Additional freight on wheat shipped to Fort William/Port Arthur from points tributary to Vancouver.....	$1,530,323 55	
Less: Freight recovered on shipments to Churchill.....	59,824 64	1,470,498 91
Handling, stop-off and diversion charges on wheat at interior terminals		229,262 39
Drying, reconditioning charges and losses in transit.....		6,964 41
Adjustment of grades with agents.....		19,807 42
Brokerage and clearing association charges.....		389,236 78
Administrative and general expenses.....		526,038 60
		$21,246,926 79

These items add up to the tidy sum of $21,246,926.79, and that added to the $39,814,161.45 brings the deficit up to $61,061,088.24.

There was another item of expense, I think, in connection with advertising overseas, totalling $221,241.31, which brought the total deficit to $61,282,329.55.

The plain fact is that the board was doing this bookkeeping and it was doing nothing else. There was no trading. The board bought the wheat at a fixed price, it exchanged its cash wheat for futures contracts and then continued to exchange its futures contracts at every closing date falling four times a year, and since every such switch of contracts represents a sale and a purchase it calls for two commissions, or eight commissions a year. By this practice the board maintains the elevator companies in such unexampled luxury that their incentive is to hold, not to sell the wheat. What incentive is there for these elevator companies to sell this wheat? In point of fact no one has an interest in selling, and Canadian wheat as a selling proposition is left waiting for Bungay, Drefus & Company to buy. Why should they not wait? What provident farmer would want to sell his chickens if the revenue covered overhead and made a substantial profit as well?

I have in my hand a report of the earnings of some of these elevator companies in the years 1939-40, and 1940-41, taken from the *Financial Times* of February 14, 1941. I am not going over all these figures or all the companies. I have selected four, including the one that the Minister of Mines and Resources is connected with, or at least is a shareholder in, the United Grain Growers. Listen to these figures—they will bear out what I said about who is making a profit out of wheat.

Take the case of the Federal Grain Company, Limited. In 1940-41 its financial report showed gross earnings of $825,953, and the year before $355,893. The net earnings for 1940-41 were $123,281, and for 1939-40 there was a deficit of $4,628.

Toronto Elevators Limited. Their gross earnings in 1940-41 amounted to $522,111 and in 1939-40, $310,702. Their net earnings in 1940-41 were $242,131 and in 1939-40, $138,912.

Take our friend the United Grain Growers. In 1940-41 their gross earnings amounted to $1,249,161—they were no slouchers—and in 1939-40 they amounted to $646,602—they had nearly doubled. Their net earnings in 1940-41 amounted to $374,241 as against only $5,662 the year before.

Let us take next the Western Grain Company, Limited. Their gross earnings in 1940-41 amounted to $625,463 and in 1939-40, $38,625. In 1940-41 their net earnings amounted to $149,123 as against a deficit of $243,336 the year before.

That tells a story.

An hon. MEMBER: A hold-up.

Mr. HANSON (York-Sunbury): I have not called it a hold-up. It was done, so far as I know, in a perfectly legal manner by agreement. The storage charge is fixed at one-forty-fifth of a cent a bushel per day, by this government, or by the board through the acquiesence of this government.

Mr. GARDINER: It is as low as it has ever been under any government.

Mr. HANSON (York-Sunbury): It is less than it used to be, but the argument is that it ought to be much less.

Mr. GARDINER: Your government had it the same once.

Mr. HANSON (York-Sunbury): I daresay we did; I do not remember. But I will say that these are the only people who are making any money, and I am sure the minister will agree. The farmer is not making money, the wheat board is not making money, and certainly the Canadian people are not making money out of it. We are paying for it.

I suggest that it is the demoralizing effect of these practices which is particularly bad—the concealed method of paying storage charges in instalments under such headings as "switching of futures" and "switching of hedges." The rates and amounts should be definitely shown as storage charges instead of being concealed by a perpetual marking down of prices. If the purpose of the act were followed, the board, once it made a sale of wheat, would have nothing further to do with it. That is what it ought to be doing, that and nothing else. But the present board, under the guise of using the existing facilities of open market trading, has succeeded in nullifying its operations as well as rendering useless a great open market organization. It has made the large elevator companies subjects of public relief on a colossal scale. It appears to me that Mr. Murray, the chairman of the board—

Mr. GARDINER: He is not the chairman of the board.

Mr. HANSON (York-Sunbury): Listen to me. I know he is not chairman. Why does the minister interrupt me? Why does he not listen until the sentence is finished?

Mr. GARDINER: Why don't you get the facts straight?

Mr. HANSON (York-Sunbury): I am still straight. My back is as straight as yours and

so is my head. It appears to me that Mr. Murray, the chairman of the board, succeeding Mr. McFarland, deliberately set out to kill the board by making it operate in this way, but the long-range effect is not proving to be what he expected. He did succeed in suspending its operations for a couple of years, but his successors under Mr. McIvor are now succeeding in transforming it into a great octopus that has almost completely swallowed up the open market facilities of the Winnipeg grain exchange, without providing any actual marketing agency in its place.

I take exhibit "B" of the report—

Mr. GARDINER: May I say one thing? I do not think my hon. friend wants to misrepresent the position of Mr. Murray. His name was the only one used at the beginning and at the end of all these recitals of transactions, but the transactions were not carried out under Mr. Murray at all.

Mr. HANSON (York-Sunbury): I made that clear.

Mr. GARDINER: It was not made clear.

Mr. HANSON (York-Sunbury): He was in at the inception after the change of government.

Mr. GARDINER: He had nothing to do with these transactions.

Mr. HANSON (York-Sunbury): He went out, but he was in on the fire sale. However, he was just the agent of the government. They made the policy. I see by exhibit "B" of this report that the total deficit on the operations for the 1938 crop account was $61,282,329.55. This was the year that the board operated under an 80-cent price and this was the year that the loss was occasioned by statements made simultaneously by the Prime Minister (Mr. Mackenzie King) and the then Minister of Trade and Commerce, Mr. Euler, at the time of the announcement of the 80-cent price. I do not ask hon. members to take my word for it. I shall read what I believe will be accepted as an authoritative commentary—the *Economic Journal* published in London by the Royal Economic Society and read by economists everywhere. In the June 1939 supplement, Memorandum 79, at page 14 under the caption "The World Wheat Situation", there appears the following:

> The disparity between exportable surpluses and importers' requirements which became apparent at the beginning of this season was bound to cause severe pressure on prices. But other causes have been at work to produce the precipitate decline which has taken place. Early in August, 1938, the Canadian government fixed a minimum price to farmers of 80 cents per bushel, and undertook to pay a subsidy to producers in the western provinces equal to the difference between the minimum price and the market price. At the same time, Mr. Mackenzie King declared that, "Notwithstanding the internal price of 80 cents per bushel, the Canadian wheat board will continue its work of encouraging the use of Canadian wheat, which will at all times be competitive on the world's markets."

He was declaring government policy.

> Winnipeg prices were then running at about 85 cents for spot wheat and about 75 cents for October futures. With the announcement of the government's policy the market broke, and futures in spot wheat began to tumble down. By the first week of September Winnipeg spot and futures prices were below 60 cents, the drop in spot thus being greater than in futures. Now the general level of commodity prices declined only very moderately during this period. There was special weakness in wheat, and among the various wheats special weakness in Canadian wheat, American prices fell by less than half the proportion shown by Canadian. Indeed Canadian No. 1 northern, which is normally at a premium owing to its superior quality, actually fell to a discount under some of the other leading wheats. Winnipeg prices fell below Chicago prices for the first time since in 1937 the United States became once more a net exporter of wheat.
>
> The rapid decline in Canadian prices had clearly been precipitated by the government's announcement. The Canadian government had announced its intention to sell wheat at a loss and without limit. With an exportable surplus of perhaps 250 million bushels in its hands, nearly one-half of world import requirements was to be put on the market under weak selling conditions. Further, the plan was such that producers would be induced to rush delivery and so put a large part of this wheat on the market in the very early months of the season. It was therefore a natural reaction for holders of stocks elsewhere to reduce them and for purchasers to reduce forward commitments to a minimum.
>
> The Canadian plan was not slow to cause reactions in other countries. The United States government quickly decided that it was necessary to ensure the export of 100 million bushels per annum, even, if necessary, by dumping. That this decision was solely a reaction to the Canadian plan is shown by the fact that in 1937-38 the United States had succeeded in exporting more than 100 million bushels and was at the time exporting at a considerably greater rate. Before the end of August the premiers' conference in Australia recommended commonwealth and state action to fix an internal price at 4/8 per bushel; and in Argentina the president was empowered to fix such domestic and export prices for the new crop as he considered to be in the interests of the country. Meanwhile some of the minor exporters of the world, notably Roumania, raised their export bounties; while the principal European importers, with the exception of the United Kingdom, imposed further taxes on wheat, or raised its price directly, or, in some cases prohibited imports without special licence. The Canadian government had thus rapidly induced government action on behalf of producers in both exporting and importing countries, and the combined effect of the actions

of all the governments involved was to reduce prices by more than a quarter within the first few weeks of the season.

The decline in prices has hardly induced a comparable change in quantities moving into consumption. It is true that during the first two months shipments were about 20 per cent greater than those of the corresponding period in the previous year, to some extent owing to war fears, though they were still about 15 per cent less than the 1933-37 average. But in the six months October to March shipments were only about 15 per cent greater than in the previous year and 5 per cent less than the 1933-37 average; and this in spite of the fact that there has been some stocking of wheat by European governments, probably on a considerable scale, in order to meet a war situation.

Mr. CRERAR: Who is the author of the article?

Mr. HANSON (York-Sunbury): I will send it over to the minister and he can read it. I do not know the author. I have read from Memorandum No. 79, London and Cambridge Economic Service's Report on Current Economic Conditions, June, 1939, published by the Royal Economic Society.

The Prime Minister, as hon. members who were here in a previous decade will recall, once made a notable speech that went down in history as the five-cent speech. The statement he made on the occasion of fixing the 80-cent wheat price proved to be no five-cent speech. It was probably the most expensive statement made by any statesman of the British empire in recent years. Hon. members may ask what is going to happen to the price if the board does not buy back these futures contracts. It has always been realized that the treasury of Canada could not be put behind unlimited production of wheat, and when the last Conservative government got behind Mr. McFarland's stabilization operations they always realized that acreage reduction had to be faced. This government has faced it indirectly by enforcing quotas. I suggest that the first thing for the government to do is to call upon the present board to operate according to the terms of the act, and as the act intended, and to buy no more of these futures contracts. If this farce is continued, it will practically put this country out of the wheat exporting business and impose upon the taxpayers a load that they will be in no mood to carry.

I want now to deal with another matter, which is a by-product of this illegal method of operation. In exhibit "D" to which I referred in the 1939-40 report there is an item called "brokerage and clearing association charges", amounting to $389,236.78. In exhibit "E" of the 1940-41 report covering the 1939 crop to July 31, 1941, the corresponding amount is $546,013.54. I should like to know what these items mean. I have reason to believe that the Canadian wheat board, with the knowledge and consent of the government, is dispensing very large amounts of compensation to those who, partly because of the war, and partly because of the wheat board's operations, are deprived of opportunities to earn brokerage charges in normal open market trading, and that large annual amounts are paid to individuals who do nothing, or next to nothing, to earn them. I am not satisfied to let this bill go through without there being an opportunity of examining the officials of the wheat board. As a matter of fact I should like to see an independent audit made of their books, but in any event there should be an opportunity to examine the members and officials of the board and to put to them some such questions as these:

1. How many bushels of wheat has the board purchased directly from producers from July 31, 1938, to date?

2. How much wheat so purchased was actually sold by the board?

3. How much of the wheat sold by the board did the board contract to buy back for future delivery from the grain trade?

4. What amount of such futures contracts is it now carrying?

If you get that figure you will, I think, be astonished. I have no means of ascertaining exactly what it is, but I shall be astonished if it is not a very large sum.

I want the government and the wheat board to give the committee on agriculture and colonization the complete break-down of storage, insurance, interest, brokerage and commissions, and I wish to know on what principle the board operates in paying out brokerage and clearing association charges.

I apologize for taking so much time, but the subject matter is important. As members of parliament we cannot face national problems from any sectional point of view. The marketing of our surplus wheat by availing ourselves of every opportunity to find markets at a price that is remunerative to the farmer is a national problem. I think we must admit that the government's record as a marketer of wheat leaves much to be desired.

The time has come when we should attempt to find a fresh viewpoint. We should examine fearlessly the defects of the present methods, and if a new course—even if a drastic change—is suggested to us by our experience, we should take that course firmly and fearlessly, having regard to the interests of Canada as a whole.

Mr. J. G. ROSS (Moose Jaw): Mr. Speaker, I do not intend to follow my hon. friend the leader of the opposition in his discussion with

regard to the wheat board. I am satisfied that when all the facts for which he asks are obtained he will find that the board has carried on the wheat business of Canada in a proper and economical manner.

Mr. HANSON (York-Sunbury): Is the hon. member announcing that we shall get the facts? Is he speaking for the wheat board and the government?

Mr. ROSS (Moose Jaw): I have nothing to do with the wheat board, but I believe my hon. friend can get any information that is necessary.

Mr. HANSON (York-Sunbury): So we should.

Mr. ROSS (Moose Jaw): In my hon. friend's remarks with regard to wheat and the policy of the government he mentioned certain orders in council. Of course I have not been able to see those orders in council as yet; but if they had not been passed at that time, I think my hon. friend would have been the first man in this house to rise in his place and condemn the government for not having passed them.

Mr. HANSON (York-Sunbury): They do not go into effect until August 1.

Mr. ROSS (Moose Jaw): They must have had to do with speculation in wheat; they must have had to do with the floor prices which were set at that time on barley, oats and flax. Those must have been the orders in council, though I have not seen them; and of course they were put through in order that these grains could be handled properly, without speculation by anybody in Canada. Such speculation must be stopped immediately when the government announces a new policy.

Then the hon. gentleman referred to the ceiling on wheat. When the Prime Minister (Mr. Mackenzie King) made the very first announcement in regard to price ceilings in Canada he excepted wheat from those ceilings. From a reading of that speech, which I believe was made on October 18 last, though I am not certain of the date, it will be seen that the Prime Minister stated that wheat was in a different position from that of other commodities, and that the great amount of wheat which was held in Canada should be looked upon as a national asset. The leader of the opposition also mentioned a speech made by the Minister of Agriculture (Mr. Gardiner) some time ago, which he said indicated that the minister was not in favour of parity at that time. I think if the speech delivered by the Minister of Agriculture is read, it will be seen that he stated he was endeavouring to get parity for all farm products. Then my hon. friend went on to state that apparently there had been trouble between the Minister of Agriculture and the government and between the chairman of the price board and the government, and that as a result one or other of these gentlemen was going to quit. Well, he does not seem to have very good information on that point, because they are both still in their jobs and carrying on very efficiently.

Then my hon. friend went on to predict what would be the carryover in wheat. I always feel sorry for anyone who tries to do that. It has been attempted many times by many people, but I have yet to see anyone in the world, or certainly in Canada, who could accurately judge the carryover of wheat throughout the world twelve months ahead of time. The Minister of Trade and Commerce (Mr. MacKinnon) endeavoured to do that last year, but when he rose to speak this year he admitted that he had been wrong in his estimate. That was bound to happen, because no one can ever make a proper estimate of carryovers for years ahead. The leader of the opposition went on to state that the world carryover to-day was about fourteen or fifteen hundred million bushels over and above world requirements. I can remember that in 1935 this was the exact amount of wheat the world was supposed to have as a carryover, beyond its requirements for the coming year. Yet less than a year from that time all the wheat was gone. Wheat rose until it reached the price of $1.31 a bushel, in spite of the fact that just one year before there was supposed to be in the world a carryover of 1,400,000,000 bushels of wheat more than was required.

The hon. gentleman also stated that we were in trouble in regard to wheat for some years before the war, and that there were large carryovers. Apparently the hon. gentleman did not check his figures very well. There was a tremendous carryover when this government came into office in 1935, but that carryover disappeared within the next year. By August 1, 1938, there was less wheat carried over in Canada than there had been for many years. On August 1, 1938, our carryover amounted to only some 23,000,000 bushels.

Mr. PERLEY: With a large profit made on the previous carryover.

Mr. ROSS (Moose Jaw): Yes, after what hon. gentlemen opposite called a fire sale. In 1938 we had a big crop, but by the time that crop was harvested war was expected throughout the world. The carryover in

Canada to-day is due entirely to the war, and nothing else. Most of that carryover was piled up in 1939 and 1940. Then my hon. friend mentioned that this government should be negotiating with Washington over this matter; he said that someone had made some statement in regard to reserves of wheat during and after the war, and that this government should be taking some action in this regard. Perhaps my hon. friend has not been following the wheat business very carefully. Negotiations have been going on for quite a long time between Canada, the United Kingdom, the United States, Australia and the Argentine in regard to that very question. The matter has been receiving serious consideration by this government for some time past, and it will be given proper consideration.

The other day the hon. member for Qu'Appelle (Mr. Perley) made the statement that when I was speaking I turned a somersault in my ideas with regard to wheat. I did not interrupt the hon. gentleman while he was speaking, but he endeavoured to leave the impression that I had stated in this house that 70 cents was a proper price for wheat. I have never made that statement; but my hon. friend has. Speaking on April 25, 1934, and referring to a speech which had been made by Mr. Vallance, at that time a member of this house, my hon. friend said as reported at page 2544 of *Hansard*:

> Which would be the better position—to be able to sell for a reasonable price, say 60 to 70 cents per bushel . . .

My statement was that I thought a proper price for wheat, in comparison with other commodities in this country, would be $1.20 a bushel; and when we speak of parity prices I believe that if our bureau of statistics were asked to set a parity price for wheat compared to other products, it would be found that it would be right around that figure of $1.20.

A few moments ago, in speaking of the Prairie Farm Assistance Act, the leader of the opposition made the statement that the men employed for checking under that act formed a large political organization, and cost this country a great deal of money. Well, if they were a political organization they must have been a good one, because in the three years of operation of the Prairie Farm Assistance Act all work in connection with it was carried out, and a sum amounting to $33,000,000 was paid to farmers throughout western Canada. The total cost of administration of the act was $1,500,000. That is a pretty low percentage for the work done.

I have seen these men in action. I have seen the way the work has been carried on in the offices of the prairie farm assistance branch, and I wish to tell the house that those men have worked, and worked hard—night and day—through that busy season. They have worked to midnight and after, time after time, and have done a remarkably good job. Their task was a difficult one, and the figures show that they did it at a most economical cost to the government.

Speaking in the house the other day the hon. member for Rosthern (Mr. Tucker) was interrupted on more than one occasion by hon. members in the righthand corner of the house. They were intimating to him that he could not get more done for farmers in western Canada because he had to stay within the party, had to have party loyalty and was more or less under the government whip. These are the insinuations made not only here but in the country. I tell my hon. friends that the reason why many things have been done for the farmers of the west in the last five or six years is that on this side of the house are members from western Canada who get the sympathetic ear of hon. members from all parts of Canada. We are able to explain to those members what our problems are and they, like the hon. member for Durham (Mr. Rickard) who spoke this afternoon, and other hon. members from Ontario, Quebec and the maritime provinces, have listened to what we have to say and have agreed to go further to help the people in western Canada than they would have done had it not been for the efforts of members of the Liberal party from the west.

Let me say this to my hon. friends. No number of amendments they may move, no number of speeches criticizing the government and government policy are going to help western Canada a great deal, if the sympathetic ear of hon. members from other parts of Canada is not gained by Liberal members from the west in the house.

Mr. JOHNSTON (Bow River): That is not saying much for them, then.

Mr. ROSS (Moose Jaw): My hon. friends were not so much in favour of the Prairie Farm Assistance Act, when it was introduced to this house. Go back to the speeches you made at that time; go back to the criticism you made then. Go back to the 80-cent wheat you wanted, and then the 70 cents under the Prairie Farm Assistance Act.

Mr. COLDWELL: We wanted both.

Mr. ROSS (Moose Jaw): Oh, you wanted both?

Mr. COLDWELL: Yes, why not?

Mr. PERLEY: You all voted for it.

Mr. ROSS (Moose Jaw): Hon. members on this side of the house backed the bill, all the way through—

Mr. DOUGLAS (Weyburn): For 60-cent wheat.

Mr. ROSS (Moose Jaw): —and had that act put through, one which has proved to be the best that has ever been put through the House of Commons for the benefit of the wheat growers of western Canada. My hon. friends won't deny that?

Mr. DOUGLAS (Weyburn): That is not what the farmers were promised in 1940.

Mr. PERLEY: The member for Qu'Appelle supported it; I help you sometimes.

Mr. ROSS (Moose Jaw): Since 1940 the farmers have learned that so far as they are concerned this is the best piece of legislation that has ever been put through the house. I interrupted the hon. member for Lake Centre (Mr. Diefenbaker) when he was speaking the other day about the Prairie Farm Assistance Act and the price of wheat in his own constituency. I pointed out to him that the farmers in his constituency had probably got more money in the last year from the Prairie Farm Assistance Act than they had got from the sale of their wheat. I believe if the records for that constituency were checked up, it would be found that not only was I right, but that I was right by a long way.

Mr. DOUGLAS (Weyburn): That is a guess.

Mr. ROSS (Moose Jaw): No, it is not.

Mr. DOUGLAS (Weyburn): Well, give us the figures.

Mr. ROSS (Moose Jaw): I have not checked them over.

Mr. DOUGLAS (Weyburn): Give us the figures.

Mr. ROSS (Moose Jaw): I have not the figures here. Nevertheless, you can get them if you wish, and take your own time to figure it out.

An hon. MEMBER: So it is a guess?

Mr. GARDINER: I have the information here. It is right.

Mr. ROSS (Moose Jaw): I thought I was right; I do not usually make statements in the house that are not right. The changes in policy this year, as brought down by the government, have been accepted by hon. members in the government and followers of the government in the house, and for that reason they will finally pass the house as they are. No number of speeches made by hon. members can change that position. They did not even know what was going to happen until it came down in the house.

Mr. COLDWELL: Then what is the use of going through the farce of referring this bill to the committee, if not a line or a word is going to be altered?

Mr. ROSS (Moose Jaw): If my hon. friends can get the committee on agriculture to change its policy, and can get hon. members on this side of the house to agree to the change—hon. members not from one part of the country but from all parts of Canada—then of course it will be changed.

Mr. COLDWELL: That is good.

Mr. ROSS (Moose Jaw): But they know they won't.

Mr. DOUGLAS (Weyburn): And so do you.

Mr. ROSS (Moose Jaw): And they know that the policy brought down is a good policy. They know that there are many representatives from different parts of the country who would not agree to go any further, and that it was hard work on the part of many hon. members in the house which succeeded in getting for western Canada what we got this year—and with no help from my hon. friends in the corner.

Mr. DOUGLAS (Weyburn): That still is not saying that it is justice.

Mr. ROSS (Moose Jaw): Once in a while I do interrupt my hon. friends, I know, but I do not keep it up all the time.

We are now considering an amendment moved by the hon. member for Weyburn (Mr. Douglas), and apparently agreed to by all his party in the house. Let me say that there is a very real party loyalty in that party. That is so even out in the country. I can remember an occasion in Saskatchewan—I think I am right in this—where one member of the party came to a convention, and because that party who came to that convention could not agree with the policy, the lady was turned out, espoused another party and is now sitting in the house. This is what we find at page 1190 of *Hansard*, when the hon. member for Weyburn was speaking:

> I therefore move, Mr. Speaker, 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 be it resolved that the disregarding by this parliament of the modest representations made by western agriculture—'"

Mr. JOHNSTON (Bow River): Weren't they modest?

Mr. ROSS (Moose Jaw):

"'—for a parity price for all agricultural products and an initial wheat payment of at least $1 per bushel for No. 1 northern basis Fort William is contrary to the peace, order and good government of Canada'."

No, it is not. It is a very clever way to try to get in an amendment. If you will follow my hon. friend's remarks down further, you will see that he speaks of national unity, of the economic conditions in western Canada and of the treatment given to producers in that part of the country. He finishes this particular paragraph by saying:

. . . there you have national disunity, the type of national disunity which will split this country asunder.

We are asked to vote on an amendment which says that if we disregard the representations in regard to a parity price on wheat and $1 a bushel instead of 90 cents, made by certain agriculturists of Canada, some one will make a move against peace, order and good government in this country.

Mr. DOUGLAS (Weyburn): That is not what it says.

Mr. ROSS (Moose Jaw): That is exactly what it says. I want to tell my hon. friend that there are no more loyal people in Canada than those in the province of Saskatchewan. I want to tell him that that delegation which came down here from Saskatchewan 400 strong did not come here with mutiny in their hearts. They did not come here resolved to revolt if they did not get what they asked for. I will admit that what they asked for was fair and reasonable, and I will admit also that they were probably disappointed in not getting $1 a bushel for wheat, in not getting parity prices at this time. But no one can rise in his place in this house and say that in time of war because what they asked for was not given to them they are ready to make a move against the government of this country.

Mr. COLDWELL: No one says that they will.

Mr. ROSS (Moose Jaw): That is the substance of the amendment moved by my hon. friend.

Mr. COLDWELL: Sir Wilfrid Laurier moved an amendment in exactly the same terms in 1917.

Mr. ROSS (Moose Jaw): That was moved in connection with the taking of the franchise away from people in this country, the taking away from them of constitutional government that had been fought for time and time again. Blood had been shed before and blood will be shed again if this is taken away from the people of this country. Let me tell you that you cannot buy the loyalty of the farmer in western Canada, nor will he sell it for 10 cents a bushel or any other figure. The farmer in western Canada may be disappointed that he is not getting parity prices—

Mr. JOHNSTON (Bow River): Let us quit playing politics.

Mr. ROSS (Moose Jaw): That is exactly what you are doing with this amendment.

Mr. SPEAKER: I must request hon. members not to interrupt.

Mr. ROSS (Moose Jaw): The farmer of western Canada will do his job throughout this war whether or not he is treated fairly by the rest of the people of this country. He will do it anyway. The farmer of western Canada has been asked this year to produce other things besides wheat. He has been asked to produce barley and oats in abundance for feed in order that we may be able to produce what is needed by the allies. Let me tell my hon. friend that the western farmer will do it. We have asked him to produce flax in abundance this year. The western farmer will do this not because the price will bring him in any great amount of money but because we and our allies need it. Anything that he is asked to do to help the war effort will be done by the western farmer.

An hon. MEMBER: And any other farmer.

Mr. ROSS (Moose Jaw): Yes, and any other farmer. As I have said before in this house, the farmer wants to pull his full weight in this war. I have heard hon. members of the opposition state that they intend to vote for this amendment. I have no hesitation in saying that I do not intend to vote for it. This amendment is not a vote of want of confidence in the government.

An hon. MEMBER: You will never get to be Minister of Agriculture that way.

Mr. ROSS (Moose Jaw): Let me say that we have the best Minister of Agriculture sitting right here that we have ever had in this House of Commons.

Mr. DOUGLAS (Weyburn): Better than some of the aspirants anyway.

Mr. ROSS (Moose Jaw): This amendment, if carried, would not be a vote of want of confidence in the government, nor would it be a vote of want of confidence in parliament. I want everyone in this house to understand exactly what they are voting for. Every man who votes for this amendment is voting want

of confidence in the farmers of Saskatchewan, my own people. I certainly will never vote for that, and I do not want to see any member of the Liberal party or any other party who has confidence in the farmers of western Canada vote for this amendment.

Mr. E. G. HANSELL (Macleod): Mr. Speaker, I am sure that we have listened with a great deal of interest to all the speeches which have been made this afternoon on these agricultural bills in general, and perhaps the amendment in particular. I think we all recognize that the government are wrestling with many problems, and next to the war agriculture is one of the greatest problems with which they have to wrestle. I think the reason why this wrestling goes on in such a strenuous way is due partly to the fault of the government. It seems to me that the reason for this wrestling is the fact that the government sees this agricultural problem as essentially a money problem. I realize that the moment anyone in this corner suggests that any problem is a money problem, there arises in the minds of many the thought that it is natural for us to say that because we hold to a certain monetary philosophy. I am quite certain that if the government would readjust, or shall I say, reform their money policy, they could then solve their problems, particularly the agricultural problems. I think we have one piece of evidence of this in the minister's own statement on March 10, as reported on page 1211 of *Hansard,* where he says:

> We are taking every last dollar out of the treasury of Canada to deal with these problems which we feel it is safe to take at this present time.

In other words, we can deal with the problem only in so far as the treasury will permit. It never seems to dawn upon the minister or the government that the treasury should be made to solve the problem instead of the problem awaiting and being entirely dependent upon the treasury. We realize that since the government are pursuing certain policies within the realm of a certain restricted monetary philosophy, they have to go on in their stumbling way from year to year. We realize, therefore that they must be always facing problems instead of solving them.

We realize that the agricultural problem is a problem, and it does seem to me that the problem arises by reason of the fact that agriculture is a primary industry. Somehow or another primary industries never seem to be able to work out an actuarially or scientifically sound price structure for the industry, whatever it may be, while secondary industries, on the other hand, seem to be able to collaborate one with another to work out a scientific price structure which will guarantee to them a certain profit. Might I illustrate by taking, for example, the automobile industry?

The automotive industry, manufacturing automobiles, tractors, machinery and so forth, calls in its experts, and whether it be a new car model or some feature that has to be put into a certain machine which they are producing, the cost of everything is figured out and goes into the price structure of the article in question. It makes no difference what it is; it may be paint on the automobile or tractor; it may be every little last nut and bolt which are required in the production of a machine; it may be the various taxes which the industry has to pay; it may be depreciation charges, interest on loans, or a hundred and one other things. All these are written into the price structure of that article. The price is arrived at, including dividends and profits, and then a price tag is attached to that particular article. When the consumer comes along, he does not ask, "What will you take for that car?" He always asks, "How much are you asking for it?" There is a price tag on that article and the automotive industry simply says to the consumer, "Take it or leave it. If you do not take it at our price, leave it." I have never yet heard of a car or tractor or anything of that kind being sold at a bargain price because there was overproduction in the industry.

But what happens when it comes to the primary industry of agriculture? Agriculture has no scientific way of writing into the price of its production all that should go into it. When we talk of cost of production, we must take into account everything that is involved in farming. But that is never done. The farmers have never got together and done it, and it never seems to have dawned on any government or on any official body that they have any need to help agriculture in that matter. The farmer does not say, "I shall have to charge so much for my wheat this year because I find that my buildings need to be painted." But that is exactly what the automobile industry does. The automobile industry writes into the price of its products depreciation on the factory and on all capital equipment. The farmer never does that. Somehow or another he cannot. The very existence of things as they are does not seem to permit him to do it. The agricultural industry does not come to the markets and say, "Here is the price tag on our wheat; here is the price tag on our butter; here is the price tag on our hogs—and the price is so much." The farmer never comes to market and says, "This is my price; take it or leave it." No; world buyers say to the farmer,

"We will give you this price, take it or leave it." Therefore, Mr. Speaker, when the farmer comes to buy, he has to take it or leave it; and when he comes to sell, he has to take it or leave it. That is the position, and I have never yet been able to discover where any government with the responsibilities and problems of agriculture upon its shoulders has ever tried to solve that problem.

Mr. GARDINER: They cannot control the rain and sunshine.

Mr. HANSELL: Mr. Speaker, I should like to mark down that remark of the Minister of Agriculture, and if you will call it six o'clock, I will deal with it when we resume at eight.

PRIVILEGE—MR. RALSTON

REFERENCE TO STATEMENT OF THE LEADER OF THE OPPOSITION IN DEBATE THIS DAY

Hon. J. L. RALSTON (Minister of National Defence): Mr. Speaker, I rise to a question of privilege. My attention has just been called to a reference made to me by the leader of the opposition (Mr. Hanson) at page 1372 of *Hansard*, this afternoon. The report of his remarks reads as follows:

> Mr. Hanson: . . . How different was the position in 1935 when the legislation was set up. The present Minister of National Defence, then the mouthpiece for the grain exchange and the other big interests from Winnipeg—
>
> Mr. Mackenzie (Vancouver Centre): Order.
>
> Mr. Hanson (York-Sunbury): Oh yes, we saw them here; I know what went on—being unwilling to strike at the principle of the measure, or being fearful of the results of opposition to the principle, demanded that the bill go to a select committee, and then insisted that certain substantive portions of the measure should be inserted in the measure itself. That was quite proper and was quite properly agreed to, and that was done.

I want to say that the reference to me as the mouthpiece for the grain exchange and other big interests has not the slightest vestige of foundation in fact. It is unequivocally false. I also want to state that I have called the leader of the opposition and told him I was going to refer to this before six o'clock, and he has not seen fit to be here. I want to say further that I was not in any way, directly or indirectly, connected with the Winnipeg grain exchange, or any member thereof, or with any other big interests in Winnipeg, and I give the most direct contradiction to the implication and insinuation and the reference made to me in the passage I have just read.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

CANADIAN WHEAT BOARD ACT

PROVISION FOR INCREASED RATE PER BUSHEL ON WHEAT DELIVERED BY PRODUCERS

The house resumed consideration of the motion of Mr. MacKinnon (Edmonton West) for the second reading of Bill No. 13, to amend the Canadian Wheat Board Act, 1935, and the amendment thereto of Mr. Douglas (Weyburn).

Mr. HANSELL: Before the dinner recess I was dealing with a matter which I think is far too often overlooked, namely the scientific price structure as it has applied to secondary production or secondary industries, that is, the manufacturing industries, and the entire lack of anything like a scientific price structure with regard to the primary industries, mainly agriculture. Just before I concluded my remarks and while I was on that subject, the Minister of Agriculture (Mr. Gardiner) interjected what I thought was an extremely unfortunate observation. He said that the government had no control over the rain and sunshine. I say that was an unfortunate remark because it revealed the very thing that we in this corner of the house have been telling the government and the country for a good many years. The minister made a terrible admission. I would suggest that by that remark he is placing a premium upon Divine Providence. Even though Providence has smiled upon us and has given unto us an abundance of all that the good earth can produce, it seems the government's attitude is that Providence has created for us mortal beings a tremendous problem. It seems to me the minister's remark would almost suggest that the Almighty should step down here occasionally and consult with the Minister of Agriculture and the government as to just when He should turn on the tap and open the windows to let the sunshine in. Of course that is not going to happen.

Mr. JOHNSTON (Bow River): It might be a good thing if it did, though.

Mr. HANSELL: The hon. member for Bow River says it might be a good thing if it did happen. I will tell him what would happen if the Almighty stepped down. We would find the Minister of Agriculture, the Minister of Finance (Mr. Ilsley) and the Prime Minister (Mr. Mackenzie King)—

Mr. JOHNSTON (Bow River): In a bad spot.

Mr. HANSELL:—attempting to go into—

An hon. MEMBER: A plebiscite.

Mr. HANSELL:—an argument with the Almighty as to whether it was right or not, and then suggesting that it be put to the country by way of a plebiscite.

Mr. MacINNIS: They might make Him a dollar-a-year-man.

Mr. HANSELL: Does it not appear to members of this house and to the people of this country that we have come to a pretty pass when the blessings of Divine Providence have presented us with a problem. I can understand the Minister of Munitions and Supply (Mr. Howe) having a problem on his hands when there is a shortage of rubber. I can understand the government having a problem because there might be a shortage of something or another. If our people were starving because there was a shortage of foodstuffs, then I would say indeed that that was a problem. But when we are presented with a problem by reason of the outpouring of blessings from the bountiful hand of the Creator, then I say things have come to a pretty pass.

I would say that the whole fiscal attitude of the government is one of attempting to control within the framework of the present financial system all that we have to do, whether relating to agriculture or to anything else, and I would add, to the war. Of course, we are human beings, not worms; but would the worm starve because the apple was too big? I read somewhere once—I do not know where; it does not matter—that the people of the United States were a nation of playboys. When I hear ministers of governments talking in such a strain as I have mentioned, I must say I believe that as Canadians we are a nation of screwballs.

Mr. MacINNIS: What is a screwball?

Mr. HANSELL: I say to this house, through you, Mr. Speaker, that is exactly the situation. Not so long ago, maybe in the fall of 1940, I believe the Minister of Trade and Commerce (Mr. MacKinnon) had a problem on his hands. Our foreign markets were gone. That was the excuse. It was the excuse the Minister of Agriculture made this afternoon in reference to the remarks of the hon. member for Acadia (Mr. Quelch): France has fallen and our market there is gone. The Minister of Trade and Commerce knew that a year or so ago, and knew that the 1940 crop coming on would give a tremendous surplus. He called in, and I think rightly, representatives of the various grain companies and farm organizations of western Canada. They trooped here, and he laid his cards on the table and said to these men: "Now, gentlemen, what have you to suggest?" I think that was the proper thing to do. What did they suggest? They were unanimous in saying that at least the 1940 wheat crop should be financed. What was the next step? The minister called in the financial representatives—I may be speaking a bit figuratively now—and he said to them, "Gentlemen, how about it?" The gentlemen said "no", doffed their hats and walked out. The Minister of Trade and Commerce turned to the agriculturists and the grain men and said, "There you are, gentlemen. You see. I am sorry, but I cannot do anything. Those who are in charge of our financial system have spoken."

What should he have done? What should the Prime Minister of this country have done? He should have called in those bankers, those men who are in charge of the money economy of the country, and, putting his cards on the table, he should have said to them: "Gentlemen, this parliament has delegated to you the right to issue and control the currency and credit of this nation. You will control it to reflect the physical facts and physical desires of our people or we will go into the banking business." But he did not do that. Oh, no. The men of finance had the last word to say. May I add, is there anything wrong with our having plenty of everything? If the government are pursuing a policy of being restricted and circumscribed by the present financial system, what they are doing in the several bills which they bring down year after year is about the best that we can expect. But I again ask, is there anything wrong about having an abundance of everything—vast stores of grain, of wool—of which commodity we are now becoming very short—of sugar, canned goods, oil or any other commodities? The natural answer is that there cannot be anything wrong with that. Yet, although this is physically possible, merely because the government will not change their financial policy they are met with a problem, and we have to pay people not to produce. This is an alarming condition, and it has come to a pretty pass that we have a government in power which continually harps upon this supposed difficulty, a government which remains within the confines of this restricted system, and which brushes aside as of no account suggested solutions that are offered by other groups.

This afternoon the hon. member for Moose Jaw (Mr. Ross) dealt in similar vein with the problem. He spent some time in discussing world carryovers, assuming that because the world has a carryover of grain the Minister of Agriculture is presented with a problem. To me it is the strangest thing that we have to be troubled because we have so much.

The hon. member mentioned, I think unfortunately, that while these bills were to go to the committee on agriculture they would not be changed. The hon. member for Rosetown-Biggar (Mr. Coldwell) challenged the statement. It is unfortunate that it was made. Is this parliament to be placed in the position of knowing before bills go to committees that they are to be railroaded through by the pressure of a Liberal majority? What are they sent to committees for? I would have supposed that when these bills go to the committee on agriculture it will have scope enough to go into the problem of agriculture. I personally deplore, as I believe all hon. members should, that there is no *Hansard* report of the sittings of that committee.

An hon. MEMBER: They will not let us have one.

Mr. HANSELL: They will not let us. Why? The Liberal majority on that committee says in effect, "No, we must not have on the record what you men want to say. It is going to cost a little; it is going to take a little paper and ink."

Mr. QUELCH: Somebody is going to be placed on the spot.

Mr. HANSELL: That is the trouble. As the hon. member for Acadia has just said, somebody is going to be placed on the spot. I say that it is deplorable; when we send bills to a committee, that committee should have the right to deal adequately with every phase of the measure.

Mr. JOHNSTON (Bow River): With a record kept.

Mr. HANSELL: Yes, with a record kept.

The hon. member for Moose Jaw played a good deal on the loyalty and patriotism of the western farmer. Who is questioning it? The hon. member himself the other day made a startling remark in this connection; he seems to have completely changed his attitude. On page 1136 of *Hansard* I read these words:

> As a western representative I must say this, that I will not accept nor will the people of western Canada accept any economy for western Canada based on 90-cent wheat at Fort William, or anything near that figure, for the duration of the war

This afternoon he turned around and deplored the amendment because it called upon the government to grant the wishes of the delegation of four hundred.

Mr. MacINNIS: Talk is cheap.

Mr. HANSELL: As my hon. friend says, he had to say something, so he said that the western farmer is a very patriotic individual.

Mr. JOHNSTON (Bow River): Therefore he can starve to death!

Mr. HANSELL: The farmers are very patriotic, therefore they must accept as inevitable what the government decides to do, even though it is not enough. Let me ask, will the manufacturing industry do that? As we have pointed out time and again, the manufacturers would not accept a contract unless they could get their 10 per cent profit, even though their wages bill and salaries and directors' fees were written into the cost. Not so with the farmer. We do not contract with the farmer; he has to take it or leave it.

I wish to compliment the leader of the opposition (Mr. Hanson) upon the speech he made this afternoon. In my opinion he has no need to be ashamed of the way in which he has led the official opposition this session. I do not know that I agree with everything he said. Perhaps I am not familiar enough with the details of the business administration of the wheat board. He should be; he was Minister of Trade and Commerce once upon a time. But I agree with him when he deplores the fact that we have a government with no long-range view. Every year they are late in announcing the policy for that year relative to agriculture. What is worse, when the government do come down, in the dying hours of the session, or when the farmer is anxious to get along with his spring work and put in his seed, they make an announcement of policy but they do not bring down their regulations. The result is that farmers do as they think the government want them to do, only to discover afterwards that the regulations have had to be changed, with the consequence that the condition of some of the farmers is not as well at the last as it was at the first.

I wish that we could be certain, when the Minister of Agriculture brings down a bill, that he has the entire picture in his mind. However, if the government is going to muddle through under a system of restriction —and this sort of thing is the best we can expect of them—I suppose we shall have to be satisfied.

I say to the minister that while the details and ramifications of his department may be many, the administration of agriculture in this country during the past year has been a shameful record for any government. I live in a diversified constituency, part of which is a rich grain growing area, and I know something of the problems of those farmers. Regulations are passed and then changed. I have a little pamphlet here which I think all hon. members will recognize when I exhibit it. This pamphlet is called, "A Plan to Reduce Wheat Acreage

and Make More Money Available for Necessary War Supplies." It is the same old story of restriction; grow less wheat and help win the war. This pamphlet was printed under the authority of Hon. J. G. Gardiner, Minister of Agriculture, and was intended to outline the regulations governing the wheat acreage reduction plan. Many farmers obtained copies of this booklet, and read them over. Sometimes these things are not simplified enough. I often wonder whether the government employs lawyers to draw up these bills because lawyers know how to confuse the mind by the use of technical and legal terms. However, the farmers got hold of this pamphlet and, after reading it through, thought they understood what the government had decided. The farmers, too, want to win the war, so they decided to grow less wheat. But after this pamphlet was issued, other regulations came out, changing these; then after a while other changes were made, so that the farmer was simply bamboozled and did not know what he was supposed to do.

The same situation exists in regard to administration. This afternoon the hon. member for Acadia referred to the vast number of appointments that had been made, most of which appear to be political appointments. Certainly they were not appointments of men who knew the problems of the farmers. These inspectors have been instructed to go round and tell the farmers certain things. The farmers accept those explanations in good faith, only to find later on that the inspectors had no right to make those statements, or that their statements were wrong, or that in the meantime the regulations were changed. Time after time we have seen that happen, so that when the fall comes round the farmer does not get his cheque, or he does not get as much as he should, or, if he is fortunate, he receives a letter saying this or that was wrong, and he is absolutely confused.

I have an illustration in point; and I think the minister knows all about it. In certain parts of my constituency, as in others, we have what is known as a soil drifting area. The custom among farmers there is not to summer-fallow quite as much as in other districts, because of that soil drifting; they let their land stand idle. When the inspectors came round; the farmers said, "What are we going to do? We usually let this land lie idle, and if we turn it over and summer-fallow it, perhaps it will drift." The inspectors are told to instruct the farmers that if it is their custom to let the soil lie idle and rest for a year, they will receive the bonus just the same. So those farmers carried on as usual and let the land rest. The fall of the year came round, and

what happened? The minister popped up and said, "Oh, yes; maybe we will pay them, but we will not pay them until the summer-fallow is done." That will be next spring, when the farmer puts in his grain. So the farmer who allowed his land to stand idle is left with his store bill running up, his doctor's bill to pay, and everything else. There he is, as the saying is, left holding the bag.

That is breaking faith with the farmer. I was through a certain part of my constituency before coming to Ottawa; and as late as January, if you please, those farmers had not received their cheques, though they had taken the word of the inspectors or those administering the act. Only to-day I received a letter from the department, in reply to a letter I wrote complaining that a certain man had not received his bonus although six months had elapsed. The reply of the department was, "Well, there is a certain discrepancy in the figures, and therefore we are instructing our supervisor to visit this man." It took them six months before they instructed their supervisor to visit this man, who had to carry on as best he could during the winter. There is something wrong with the administration of the act when this sort of thing happens. I do not like to focus all the blame on certain officials, even though those officials may be political appointees, but one can hardly avoid doing so. Something is wrong somewhere. So I say to the minister: When he brings down a bill or outlines the policy of the government, can we not get a complete picture of it? Cannot regulations be such that the farmers will understand them and, when the time comes, receive payment for the work done? It is not keeping faith with agriculture when the government says to the farmer, "We have a problem, and if you will cooperate we will do so and so." The farmer cooperates; then the government dickers and fiddles over this or that thing and the farmer is left down at the heels, worn at the cuffs, with store bills, doctors' bills and all sorts of other bills mounting up. I had men come to me with tears in their eyes because they were still waiting for their bonuses, as late as the middle of January. That is not right; it is not fair, and there is something wrong in the minister's department if that sort of thing cannot be remedied.

I see that my time is gone, Mr. Speaker. All I can add is this, that if the government will not act in such a way as to dispose of the problem instead of simply tinkering with it, then I suppose the farmers of this country will have to accept the inevitable and go stumbling on.

Mr. E. E. PERLEY (Qu'Appelle): Following the statements of the Minister of Agriculture (Mr. Gardiner) and the Minister of Trade and Commerce (Mr. MacKinnon) on second reading of these bills, I covered the situation in a general way, as I thought, and made one or two suggestions. I now desire to state my position with respect to the amendment, and at the outset I should like to say that I do not think it should be considered as a vote of want of confidence. I do not think that should be stressed the way it has been by many of the speakers on the government side. The Minister of Agriculture said it was not a vote of want of confidence in the government, but he stressed that it might be considered a want of confidence in parliament. I cannot go that far. I think this matter should not be considered politically, either, because I believe members of parliament should be free to express ourselves in this house. A speech from this side of the house or from the group in the far corner should not be considered a political speech. I believe a great many hon. members realize their responsibility and are anxious to make some contribution and to offer some help. So far as I am concerned, that is the position I desire to take. I believe, if we all feel we can do something to help solve this problem so as to bring about a state wherein the farmer will receive a better deal or, if you like, receive parity, we ought to do what we can in that direction.

Some pretty warm speeches have been delivered in this debate, even from the government side. We have heard criticism of the government from its supporters, and we have heard replies. I think it may be said, however, that we are all working for a parity. That is a word which has been used often, but I believe it is not well understood even yet. What we want is a situation wherein prices for farm products will compare favourably with the prices the producer has to pay for his implements of production and for the commodities used in production. I might say at this point that if prices could be placed on a parity, and if there is a continuation of the Prairie Farm Assistance Act, which is a form of insurance—and when the measure comes back in final form from the committee I believe it will be worth while—there can be no doubt that we shall get along pretty well.

Since Bill No. 13 has reached its present stage, four orders in council have been passed. This afternoon my leader made reference to these orders in council—and might I add that I believe he ought to be commended for his admirable speech to-day. In his speech he covered the whole situation, going back three or four years, dealing with the operations of the wheat board and setting out the facts in satisfactory fashion. I believe he has made the position clear, and it is not necessary for me to-night to refer to the operations of the board to any extent. What he has said need not be repeated.

I contend, as did the leader of the opposition (Mr. Hanson) this afternoon, that these orders in council should be embodied in the bill. They should be part of the bill, and should be offered as legislation. If they are not, then we ought to have a statement from the minister as to how many more orders in council of this kind we may expect. As I have said, four have been passed already, and there is no limit to what we may have. But these four are of such importance that they should be in the bill. I suggest to the minister that he ought to allow the committee to embody some of these orders in council in the bill, so that we may know exactly where we stand.

This afternoon the hon. member for Moose Jaw (Mr. Ross) made one or two confessions. He confessed that he now stands for a parity price; that is what he wants. He suggested, too, that Liberal members from the west were capable of reading the riot act, so to speak, to the government, and getting almost what they want. Some of their speeches, however, would indicate that they are not getting what they want. They have all supported the principle of a parity price, an increased price; but I venture to say that within the next hour or so they will not vote for that parity or that increased price. That is my complaint. We are accused of acting politically; we are told that the amendment is a vote of want of confidence; and yet when hon. members opposite come to vote, they will not vote as they have indicated in the speeches they have made.

I believe it is unnecessary for me to make detailed reference to those speeches. The Minister of Mines and Resources (Mr. Crerar) endeavoured to answer the hon. member for Portage la Prairie (Mr. Leader), but I thought his endeavour fell far short of an adequate answer. There are many questions the minister left unsolved, and many charges made by the hon. member for Portage la Prairie are still unanswered.

The hon. member for Moose Jaw and the hon. member for Dauphin (Mr. Ward) have honoured me to the extent of referring to some speeches I have made in the house. Before I take my seat to-night I shall make one or two further suggestions, and possibly three or four years from now they may quote me again. There was another hon. member

who referred to me. I will not say who it was. When I came to look through the pages of *Hansard* I could not find his name, and so I did not think it was necessary to take even thirty-five seconds to answer his thirty-five minutes' speech in which he attacked me.

The hon. member for Rosthern (Mr. Tucker) has made two splendid speeches, and I hope he will follow some of the principles he has enunciated. He of course supports the bill, and does not support the amendment. He has placed on record certain tables to show that the bonus system is the best. My reply to him would be this, that there are 290,000 farmers in the west, and one could prepare a table which would make it appear that 100,000 of them might be better off with the bonus. I might say I had prepared three tables, one of which dealt with half-section farmers, and another with farmers on a section and a half. I could work out those figures to show that so far as the small farms are concerned the bonus might not work out quite as well as it does for the large farms. As I have said, however, that does not prove anything. One could cite dozens of cases, draw tables to show that the bonus would work out better for this man or that man, but that would be no criterion. It does not prove that the bonus does not interfere with the general farming principles or policy of operation in western Canada.

I would ask the government and the board what they will do this fall if the farmers follow out the suggested system of increasing the production of coarse grains. What will they do this fall if we should happen to have 150,000,000 bushels more of oats and 30,000,000 or 40,000,000 more bushels of barley?

Mr. GARDINER: We have an agreement with the United States that we shall send it there.

Mr. PERLEY: Not all?

Mr. GARDINER: They are growing soya beans.

Mr. PERLEY: I have the coarse grains report for last year, and it shows that out of a production of 220,000,000 bushels of oats only 30,000,000 bushels came to the market.

Mr. GARDINER: I shall not speak again, but I suggest that the United States have asked us to produce as much coarse grains as we can as part of a general policy to have more oils produced on this continent. They have undertaken to transfer some of their grain acreage to soya beans, and have asked us to undertake to send any surplus we have to the United States.

[Mr. Perley.]

Mr. PERLEY: That is fine. Will the minister guarantee that if we produce 150,000,000 more bushels of oats next fall—which might quite easily happen—that the United States market will absorb them all?

Mr. GARDINER: They may or may not next year.

Mr. PERLEY: I think I know the farmer pretty well. He is only human, and if he can get 45 cents a bushel for his oats and has a yield of 50 to 100 bushels to the acre—in the northern sections they will have 75 to 80 bushels—he will not feel disposed to feed his oats to hogs; he will market them. Whether they are exported to the United States or not, there will be a great flow of oats and barley to the market. I doubt if the United States will take as much as the minister indicates they will. You are going to have your elevator space plugged with coarse grains and wheat.

How about the storage of oats and barley? They command the same rate per bushel and they take practically the same space. I think it will be readily agreed that the farmers will be encouraged to bring their oats to the market rather than to try to store them on the farm under present conditions, unless the government provides for storage or assists in storing on the farm. The small farmer who grows 1,500 or 2,000 bushels additional will have to provide storage unless he is able to take them to market. If the grain exchange continues to function as it is now doing, will it not encourage the marketing of oats and barley and thus encourage the filling up of space that might be required for wheat if we have a large and normal crop?

You can figure it out on a capital investment basis of dollars and cents. Ninety-cent wheat commands 8 cents a year storage. Two bushels of oats would be worth about the same and they would command 16 cents a year storage. Taking the capital investment as far as the elevator is concerned you will see why they will encourage the bringing in of oats and barley. The investment would be much smaller, only about half for wheat, and they would be paid double the storage. This point has not been stressed as yet. I think it is an important one; it is something that will have to be considered.

I suggest that the wheat board should take over everything; it should control storage and other matters to a greater degree than is set out in the orders in council. With government control many of the abuses and injustices to which I have referred before in this house would be eliminated. There are abuses that might have been referred to and enlarged upon the other day by the Minister of Mines

and Resources when he referred to mixing. He said he had had forty years of experience in the grain business and evidently he knows all about mixing. That is one of the first things you find out about when you go into a country elevator. If we had full control, we could do away with some of these injustices.

The first one to which I would refer is undergrading. With this great crop of coarse grains that we expect will be coming to market this fall the government should pay special attention to undergrading. Many oats will grade No. 1 feed instead of 2 C.W. We also have unfair grading of wheat and mixing. The annexes that are being built alongside interior elevators permit of a great deal of mixing. I know what is going to happen. A farmer will bring in No. 1 northern or No. 2 northern wheat. There will be no space for it, and they will take it as No. 3 or No. 4. The same thing will apply to oats. There should be an investigation into this racket that has been perpetrated on the farmers of western Canada in the last three or four seasons in particular. There should be an adjustment of the unjust service charges that are made. Storage charges should not be permitted for storage in boxcars.

At the present time there is only one buyer and only one seller. According to the report for the crop year 1940-41, to which the leader of the opposition referred at great length this afternoon, it will cost this country $60,000,000 to carry this crop next year, taking into account the influx of coarse grains that we expect. As I say, there is only one buyer. I am going to offer a suggestion. I know the hon. member for Rosthern will support me in this, and the hon. member for Dauphin may quote me three or four years from now. I suggest that with the situation as we have it, with this surplus and carryover, with this cost of carrying, parliament should amend the Finance Act so that on the security of the grain in the possession of the board currency could be issued in an adequate volume to finance the board's operations properly, and no interest charges would accrue at any time. We should have the head of the Bank of Canada before the committee in order that we might get some information with respect to the possibilities of doing this. This wheat is practically as good as gold. The government will be in this business for a number of years, and some way should be found to carry it more cheaply, especially when, on the minister's own statement, it is costing us $50,000,000 or $60,000,000 a year.

As was said this afternoon by the leader of the opposition, this bill does not conform to the wheat board act of 1935. Paragraph (b) of section 3 of that act empowers the board to buy only from the producers of wheat, from no other organization. In the order in council is a clause empowering them to buy wheat from anybody other than producers. We are to start with this new price on August 1. What situation are we going to have? I contend that that price of 90 cents on August 1 is a minimum price and a maximum price. If that is so, then there is no need for the exchange. I do not think there is much need for it at the present time. I have before me the following report which appeared in the Winnipeg *Tribune* of March 14:

> Winnipeg wheat futures opened at unchanged price levels in exceedingly dull trading.

They state that there was practically no trading from the first gong until the close. Things appear to be very quiet there now. The exporter cannot raise this 90-cent price, or at least the government has not told us how they can do it. The British cereals import committee buy large quantities, three, four and six months at a time. They set the prices for these amounts at least. Therefore there can be no increase in the price. There will be no demand which would raise the price because under the present set-up nothing but speculation can raise the price. Where are you going to have outside speculation when you have a situation as we have it now, the government taking on 400 million bushels of a surplus and so on?

I ask again: what will the board do with all the oats and barley that will probably come on the market this fall? The Minister of Agriculture has endeavoured to answer this. Apart from the United States market, it would appear that there will be no export to Great Britain. I have before me the parliamentary debates of the British House of Commons of Wednesday, February 4, 1942, and I should like to quote the remarks of Major Lloyd George, as follows:

> I am aware of the difficulty which is being experienced in certain areas in Scotland in disposing of feeding oats, and steps have already been taken to relieve the position. A considerable quantity of Scottish feeding oats purchased by the ministry is being moved to localities where they are required for consumption or where storage accommodation is available. I would remind my hon. friend that increased prices have been provided for growers who are able and willing to hold their oats in stack until March or later.

That is the situation over there. Apparently they have more oats than they require.

I have another quotation to the effect that there is going to be an increase in the price of wheat to encourage production in Britain, but I shall not take the time to read it.

I wish now to refer for a moment to one or two speeches which have been made from the other side of the house in an endeavour to show that the government of the Right Hon. R. B. Bennett was responsible for the very low price of wheat in 1932. I recall the low price of that period, but I say that the government of that day cannot be blamed for it. I have here the budget speech delivered by the Hon. Charles Dunning on May 1, 1930. Some hon. members may have seen this little summary of the Dunning budget, containing his picture. In that May day budget speech he reported that our sales of export wheat were down $243,000,000 and that our sales of export flour were down $20,000,000 from the previous year. He also stated that the price of No. 1 northern at Fort William had dropped in 1929-30 from $1.55 to 82 cents. Who was responsible for that drop? If the Liberal government will take the responsibility for the drop in 1929-30, when wheat went down 73 cents a bushel, I would be willing for the Bennett government to take the responsibility for the drop from 80 to 40 cents in the first two years it was in office.

I shall not deal further with the question of parity prices. That is nothing new because the principle was adopted in the Conservative party platform prior to the last election. It was adopted in January, 1940. I have a copy of the speech made by the Hon. Robert Manion in western Canada in which he said that he was in favour of a fair parity price for the farmer and that if his party were returned to power he would provide for storage on the farm and set a fair price comparable with the price the British farmer received. So a parity price is nothing new. It was part of the policy of the Conservative party at that time.

The hon. member for Lake Centre (Mr. Diefenbaker) in his address the other night made several splendid suggestions which I trust the minister will be prepared to have considered and adopted when this measure goes before the committee.

I have already made reference to various orders in council, and I wish to refer briefly now to one in particular, P.C. 1803, which was passed since this bill was placed on the order paper for second reading. This order in council gives the wheat board very wide powers. Section 2, dealing with the regulations—and here is where the order in council does not conform to the act as it was prior to this proposed amendment—provides that the board may buy wheat from persons other than producers "at such prices as the board deems fair and just." So the board is there given power to go outside the producers and buy at any price that seems fair and just. We may therefore expect another order in council with respect to price.

Another section of the order in council gives the wheat board power to enter into ordinary commercial banking arrangements on its own credit. I do not know that I object to that, but it does confer very wide powers upon the board.

Another section provides that any losses arising from the board's operations:

> . . . shall be paid from and out of unappropriated moneys of the consolidated revenue fund and any profits shall accrue to that fund.

So no profits from the board's operations can go to the farmer. That is definitely stated in section 3 (c) of the order in council.

There is another section of the order in council which I shall read. Section 7 provides:

> 7. These regulations shall be deemed to have become operative on March 5, 1942, and shall expire on August 1, 1943, subject to the provisions of section 19 of the Interpretation Act which are made applicable hereto as if these regulations were revoked on said latter date.

So there is no question that the 90-cent price is to prevail throughout the whole year, and that is something that should be considered.

In conclusion, I want to make this suggestion to the minister. I shall not review the report of the wheat board which was so ably covered by my leader this afternoon, but I do think it is important that the committee to which this bill goes should be given very wide powers. We require a good deal of information. We have had no inquiry into the grain trade since the committee of 1936 sat to inquire into Mr. Murray's operations. The reports of the board, while they go into detail, do not cover the situation in such a way that the ordinary man can understand it. I think it was a mistake to have this bill go to the agriculture committee. With all due respect to members of the house, they do not know as much about wheat as I should like them to know. I am not saying that disparagingly at all, because I, for instance, know nothing about fish.

Mr. HOMUTH: There are lots in the house.

Mr. PERLEY: There are lots of fish-eaters here. But I do not believe there are twenty members of the house who can intelligently follow through the various transactions in wheat from the time it is sold on the grain exchange until its delivery in Liverpool, simply because they are not familiar with the different transactions. I do not think the agriculture committee is the proper committee to which to send this bill. I think we should have a committee set up of eleven or thirteen members with power to call witnesses and take

evidence so that we may have a thorough investigation into the whole operations of the board and of the grain trade, and that we may get the information that we require. A verbatim report of the evidence and proceedings of the committee should be taken and the report printed.

We have not received any information from the minister. I asked him last year if he had any further report to make, and he said no. I asked him if he would give us interim reports. The act itself provides for weekly reports, but we have never had one in two years, and the consequence is that hon. members have not received the information they require. Again I say, with all respect to the members of the committee, that the agriculture committee is not the proper committee to which to send this bill. That is borne out, I think, by what happened this morning at the committee, where one man started to talk about eggs. If we are not careful we may be talking about eggs on this bill before it gets through the agriculture committee.

Before this bill is referred, I should like the minister to say that whatever committee is chosen it will be given the fullest power to call and examine witnesses and take a verbatim report of the evidence and have its report printed. I would ask the minister, further, if he will be prepared to accept by way of amendments any reasonable suggestions to improve the bill which may be made in the committee and which do not involve any extra charge upon consolidated revenue. I think the minister should be fair enough to do that.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, this debate has already been rather prolonged and I do not intend to take much time. In fact I had not intended to speak at all; but since from the government side of the house the Minister of Agriculture (Mr. Gardiner) has spoken twice, the hon. member for Moose Jaw (Mr. Ross) twice, and the hon. member for Rosthern (Mr. Tucker) twice, and others have made long speeches, I feel that we are relieved from any prior understanding we had that this bill should go to the committee as rapidly as possible, and therefore I propose to say a few words to-night.

From the government side of the house we have been criticized for having moved an amendment to the second reading of the bill. We did so in order to get a free vote of this house. It was moved in such a manner as not to imply a want of confidence in the government, and it was moved in the language, modified to meet our occasion, of one of the greatest parliamentary leaders this country has ever seen. I refer to Sir Wilfrid Laurier.

Some hon. MEMBERS: Hear, hear.

Mr. COLDWELL: Always from the other side of the house, when the name of that great Canadian is mentioned, there is some applause. I suggest that Sir Wilfrid Laurier ought to be no longer regarded as the special possession of the Liberal party, but that he ought to be regarded as common to all the people of Canada. This is not a vote of want of confidence, and my Liberal friends from Saskatchewan, including the Minister of Agriculture, should welcome the opportunity to place themselves on record, in a vote in this house, on the policy which they promulgated in that province as long ago as 1934. I am not going to refer at length to the leaflets which were scattered by hundreds of thousands over that province in 1934 when the Minister of Agriculture was seeking election as premier of the province: Dollar wheat will pay your taxes; dollar wheat will educate your family; dollar wheat will buy new clothes; dollar wheat will maintain the church, and so on and so forth. Now in a free vote of this house, the gentlemen who advocated that policy, and won the election on that policy in 1934, have the first opportunity which has been accorded them in all these years to vote for that policy without endangering the government in any particular whatsoever. I say, therefore, that they should support this amendment and we should have a record of those who are in favour of giving to the western producers that dollar wheat which was promised so long ago.

If I may go on without friendly as well as unfriendly interruptions, I say that there was no way of referring this bill back to the committee on the third reading and incorporating in such a reference the demands of the farmers of the province from which I come, made to this parliament and to this government both by resolution and by delegation. On the third reading of this bill we could not do what we have done in this amendment—refer to the dollar price or to the parity price—because it would have been ruled out of order. The second reading of a bill decides the principle of the bill. This was the place to record our disapproval of the government's policy and our desire in relation to a policy which we should like to have seen adopted. We are not playing politics in this regard.

An hon. MEMBER: No.

Mr. COLDWELL: Oh, no. The Prime Minister (Mr. Mackenzie King) the other day put us squarely on the spot in this house.

He turned to the leader of the opposition (Mr. Hanson) and complained that the hon. gentleman had not shown his opposition to the plebiscite bill on the second reading. The Prime Minister said that the principle of the plebiscite bill had been adopted unanimously by this house because no one had moved an amendment or voted against it on the second reading.

Mr. SPEAKER: Order. The hon. member may not refer to a previous debate in this session.

Mr. COLDWELL: I am not quoting from any previous debate, Mr. Speaker. I believe I may refer to the debate without quoting.

Mr. SPEAKER: The hon. member is using the arguments advanced in that debate.

Mr. COLDWELL: I am not quoting, but I will endeavour to abide by your ruling, Mr. Speaker. It was stated, no matter by whom, that, because the second reading of the bill was not challenged, the house unanimously adopted the principle of that bill. I do not propose, we do not propose, that we should be placed in that position in connection with this particular matter which so vitally concerns the constituents whom we represent in this house.

This is not a matter of political strategy. It is an attempt to solidify those in this house who believe that $1 a bushel for wheat is the absolute minimum, and we wish to do so in a free vote that may be taken in this house on a problem of vital concern to western agriculture. We have been hearing a great deal about parity prices, although a few years ago when we of this group used to speak of parity prices we were often asked what we meant. The term has now become well known. Parity prices are essential to the welfare of agriculture, and western agriculture particularly. The wheat farmers of western Canada to-day are in large measure carrying the nation's load of food, which it has quite properly been stated from time to time in this house, may be one of the most effective weapons of victory, and we contend that this nation ought to carry that load if it is regarded as a great national asset and something that will assist us in winning a future victory.

I agree with all those who have said to-day and on other occasions that the grain exchange should be closed and that speculation in all food products should be entirely eliminated. The revelations made this afternoon by the leader of the opposition, of the transfers of cash wheat to futures and futures to cash wheat, and so on and so forth, are matters which ought to be investigated anew by a committee, and I support those who have asked the government to grant such a committee to inquire into the whole system of wheat marketing in this country. But I would say this to the leader of the opposition. He warned us this afternoon of some dangers in connection with what he called planned economy after the war. I make this prediction, that all the civilized nations, when this war is over, will be called upon to do more and more of economic planning. This will mean that the various types of producers in those countries and communities will have to receive for their products prices which are commensurate with the toil involved in raising those products. The only intelligent alternative to planned economy is complete freedom of trade. If the manufacturing interests and everybody else concerned will completely wipe out all the tariff walls which they have built round this country, I am sure that the agricultural producer will be quite prepared to take his chance with everybody else.

Mr. HOMUTH: What about the industrial workers?

Mr. COLDWELL: But so long as tariffs and quotas remain, so long as "trades" are negotiated between nations, so long will there have to be some forms of economic planning, and those forms may ultimately lead to relief from trade restrictions, indeed, in reality, to a greater freedom of trade than the world has ever known.

Mr. MAYHEW: Does the hon. member want to put Canadian labour on the same basis as Japanese labour?

Mr. COLDWELL: No. I have not said that under present conditions I am in favour of complete and absolute free trade.

Mr. HOMUTH: You voted for a free trade policy, though.

Mr. COLDWELL: I look to the day—

Mr. MAYHEW: Don't limit your remarks to the manufacturers.

Mr. COLDWELL: —and I believe it is not so far off, when the Japanese, the Chinese, the Hindu, the Burmese, the natives of Africa, will be raised to the economic and social level of the white races, and when they, too, may join with the rest of us in enjoying a higher form of economic and social life than any of us have yet known.

An hon. MEMBER: That will be in heaven.

Mr. MAYHEW: That might be after the fifth world war.

Mr. COLDWELL: Perhaps it will not be in my lifetime or yours. In the meantime we

shall have to resort to other methods to maintain our standards of life; I readily grant that.

Some hon. MEMBERS: Hear, hear.

Mr. GILLIS: And we are doing it.

Mr. COLDWELL: I was just referring to the suggestion of the leader of the opposition that a planned economy should be looked upon with some suspicion by the farmer.

We also heard it said that there were those interested in these problems who were setting east against west and west against east. This is not a western problem alone; it is a problem which concerns every part of Canada. As far as we from western Canada are concerned, we have no desire to set east against west or west against east. Our problems are, in different forms, common to all the nation, and we shall have to solve them as a nation and in cooperation with one another.

I said that the grain exchange should be eliminated. I was in England last autumn, and I confess that I tried to find out why the grain exchange was still operating and that I did not succeed. But I did find out that the present British Minister of Agriculture is as anxious as are the Canadian farmers that there should be as speedily as possible a conference, attended by representatives from both the producing and the consuming countries, and particularly Great Britain and the overseas dominions, at which an agricultural policy could be worked out which would prevent, both now and after the war, the primary producer from being penalized and ruined by continuous low prices. I say to the Minister of Trade and Commerce (Mr. MacKinnon) and the government to-night that I hope every effort will be made to organize such a conference, in cooperation with the British Minister of Agriculture, and others interested, in Great Britain.

Mr. GARDINER: May I ask the hon. member if he found out what price they in Britain are in favour of for wheat in that period?

Mr. COLDWELL: I did not find out what that price was.

Mr. GARDINER: I did.

Mr. COLDWELL: Well, that, to me, is a rather unfortunate remark, because it carries the connotation that that price was very low.

Mr. GARDINER: Not "very low".

Mr. COLDWELL: And I am going to say this, that if this commonwealth of nations is going to exist in the future, it can exist only on fair dealing and justice between all parts of it.

Mr. HOMUTH: You are predicating that on what the minister said—which we don't know anything about.

Mr. COLDWELL: I wonder whether this hon. member will be just a little quiet. We will ask the minister to tell us the price at another time.

Mr. SPEAKER: I would call the attention of the house to the fact that the hon. member is entitled to proceed with his speech without interruption, and I ask that the hon. member who has just interrupted him will observe the rule.

Mr. COLDWELL: As I said, I do not know what the price was. I should like the minister to tell the house. All I can say is that if there are in Great Britain certain people—and I know there are, because I got, not the price, but a disappointing reaction on one occasion—who think they can maintain good relations between Britain and the great overseas dominions by driving the overseas producers down to the level of peasantry, this great commonwealth will not continue to exist. Make no mistake about that. But, fortunately, I know that there are very many more in powerful places in Great Britain who think exactly the opposite, who believe that the producer overseas should not be driven down to the level of peasantry, and those people, I may add, are likely to be in the ascendancy when this war is over.

I should like to say a word about the Prairie Farm Assistance Act. We were twitted by the hon. member for Rosthern (Mr. Tucker) because we were not debating it. It had gone to a committee. But let me say that right from the outset we not only supported the principle of the Prairie Farm Assistance Act but advocated a broadening of its provisions. We have always hoped that this measure would develop into a real form of crop insurance, and that that crop insurance would be, like other forms of insurance, on an individual basis. We should like to have seen the Prairie Farm Assistance Act further extended, not restricted, this year.

Some attempt has been made in this house to confuse the entire issue by talking about the Prairie Farm Assistance Act and wheat prices at the same time. The two things are entirely different. The price of wheat is the problem of a depressed industry; the Prairie Farm Assistance Act is the problem of a distressed area, two different problems altogether, which should be considered distinctly and apart. The wheat price should be a reasonable price,

as a matter of justice to a depressed industry, depressed because of uncontrollable conditions as far as the farmer is concerned—by war now, and in past days by government policy, such as the imposition of tariffs, which made him sell his produce in the open free market of the world and buy his supplies in a completely protected and closed market. The Prairie Farm Assistance Act deals with a depressed area, due to crop failure, drought, grasshoppers and the other plagues with which the western producer has been cursed.

Again, may I say, to some extent this was caused by faulty national policies; land settlement policies, organized by railways and governments, opening up land which never should have been opened to the plough, and of course aggravated by low prices in the few good crop years that we experienced. I am not going into that to-night. I am just going to say that so long as we fail to face the problem of the marginal and sub-marginal lands—of which there is not as great an area as many people think—and deal with it, perhaps in some instances by larger irrigation policies than were instituted under the Prairie Farm Rehabilitation Act with some success, or by resettlement so that the people now occupying those lands may be humanely moved to places where they can make a living, so long must we continue to use and expand the present crop failure bonus system. As I have said, I should like to see it so expanded that payments would be on the basis of the individual farm.

Thus the two problems, the problem of the distressed industry and the problem of the depressed area, are distinct. The first, the distressed industry, can be dealt with under a decent parity price. This is realized by a very large number of people in western Canada.

In Saskatchewan alone, approximately 185,000 people signed the petition in favour of an initial payment of $1, looking to parity prices in the future. These 185,000 contributed their mites to send more than 400 representative farmers to meet this government and members of this house. I must say, Mr. Speaker, that when I saw those people here I was proud of them. A finer group of men, the railways told us, had never been transported across Canada; and their presentation here was something that did both them and the people who sent them the greatest credit.

They want $1 as an initial payment. That does not approach the parity price. It does not give them, according to the records of our own experimental farms and our universities, even the cost of production. Then they hope that during the year improved conditions may enable payments to be made to bring the final payment up to parity. But let me say this to the hon. member for The Battlefords (Mr. Gregory), who spoke last night, and to others who have said the same thing, that there seems to be a misunderstanding on the part of some hon. members as to the present wheat situation and the possibility of a parity payment. Under our wheat board act as it now stands, if the government takes 280,000,000 bushels of wheat this year at 90 cents, no matter how high the price may rise beyond that, there will be no further payment on those 280,000,000 bushels this year, because, according to the wheat board act, the new wheat cannot be sold unless and until the other wheat, called the carryover, has first been sold and complete settlement made with the farmers.

Mr. GARDINER: That is not in accordance with the act; it is in accordance with the practice under administration.

Mr. COLDWELL: Then I will put it in that way, according to the practice under the administration.

Mr. HOMUTH: Which is it, the act or the administration?

Mr. COLDWELL: The minister says the administration. Let me add this. Hon. members may have noticed that the western grain growers have been asking for some time that the carryover as of August 1 next, we will say, should be regarded as a reserve, and that the new crop up to 280,000,000 bushels should be sold and paid for within the crop year. So let us not be under any illusions; under the present policy what was suggested the other evening by the hon. member for The Battlefords is impossible of attainment unless the government policy be altered.

Industry is guaranteed the cost of its production. Agriculture must be guaranteed at least the cost of production for its products. We know that ruin faces the wheat area of western Canada under present conditions and under the present set-up. We need only look at the population figures as revealed by the recent census to see that, taking into account the natural increase Saskatchewan should have had, our population is from 150,000 to 175,000 less than it should have been. That, I believe, is the best indication there could be of the depressed and distressed condition of the western prairies. Those figures speak more eloquently than I possibly could speak in that connection.

We have said that we are fighting for a better world. I know from my experience in Britain last autumn that the British people do believe they are fighting for a better world. That is the reason why Sir Stafford Cripps

occupies the position which he holds to-day. That is the reason why Doctor William Temple, longtime member of the Labour party, until recently Archbishop of York, has been elevated to the see of Canterbury. Those happenings are significant of things to come in Great Britain, and that is what maintains much of the morale there. We, too, have to consider the morale of our own people. One way of maintaining it is to guarantee to our aged a decent livelihood; to our workers, decent conditions, and to our farmers, prices that will enable them to lift up their heads in the community.

So I say, Mr. Speaker, that on every count members of parliament who have agriculture at heart, particularly members of parliament representing western constituencies, on this free vote—which is not a want of confidence vote—have an opportunity in deciding the principle of this bill to place themselves on record as being in favour of the modest request of the western farmers for an initial price of $1 a bushel and payments thereafter, we hope, that will approximate a parity level for this important commodity.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I wish to take five or six minutes to speak on the amendment of the hon. member for Weyburn (Mr. Douglas). The leader of the Cooperative Commonwealth Federation party (Mr. Coldwell) has said that we are fighting for a better world. Well, those who are fighting for a better world are getting $1.30 a day, while we sit in this house and talk about what should be done for parity, when there is parity for some and not for others. Hon. gentlemen to my left and opposite have referred to the grain trade; they have said that it is a north and south industry, not an east and west industry going to the markets of the world. The amendment moved by the hon. member for Weyburn reads:

> That all the words after "that" be struck out and the following substituted therefor:
> "This bill be not now read a second time but be it resolved that the disregarding by this parliament . . ."

Mr. COLDWELL: Mr. Speaker, I rise to a point of order. The hon. member has already spoken on the amendment. His speech appears in *Hansard* for March 12, beginning at page 1248. It was a forty-minute speech.

Mr. CHURCH: I am speaking on the amendment of the hon. member for Weyburn (Mr. Douglas).

Mr. SPEAKER: May I ask the hon. member this question: Has he already spoken on the amendment?

Mr. CHURCH: I spoke on the motion, not on the amendment. I never spoke on the amendment, and I just wish to say three or four words about the amendment—not on the motion.

Mr. GARDINER: The amendment was moved on Tuesday, March 10, a week ago to-day. The hon. member spoke on Thursday and, as has been pointed out, his speech is reported at page 1248, beginning with the words:

> The motion for the second reading of Bills 12, 13 and 14, and the amendment moved by the hon. member for Weyburn (Mr. Douglas) . . .

And so on.

Mr. CHURCH: I referred to the amendment; that is all. I did not speak on it.

Hon. GROTE STIRLING (Yale): Mr. Speaker, I should like to say a word before the vote is taken, and in doing so I would add my request to the government that an opportunity be permitted whereby witnesses may come before the committee to which this bill will be sent. We never tire of describing the importance of the wheat industry to the economy of Canada. It is very evident that both within and without the house there is a body of opinion most sincerely held that the policies and practices followed by those who market the wheat are not all that they should be. It appears to me most desirable, therefore, that the government should grant this request.

I would draw this simile to what happened when the wheat board bill was before the house in 1935. On that occasion there was a most insistent demand from supporters of the then opposition, who now sit on the government benches, that witnesses should be heard before the committee which examined that measure. The government of the day gave way. The bill became an act, and that act is the one under which we now operate. When it is contended that the business of marketing, which is carried out under that act, is open to question, it is surely desirable for the government to give way to that request. I would draw its attention to the fact that since that opinion held so widely in Canada is one which should be examined into, with witnesses before the committee, it appears to me it will go out through the country as a matter of deep regret that the government refuses to grant this request.

Hon. J. A. MacKINNON (Minister of Trade and Commerce): Mr. Speaker, with regard to the request made by the hon. member for Yale (Mr. Stirling)—

Mr. STIRLING: Made first by the leader of the opposition (Mr. Hanson).

Mr. MacKINNON (Edmonton West): —and by the hon. member for Qu'Appelle (Mr. Perley) and the hon. member for Rosetown-Biggar (Mr. Coldwell) to the effect that wide latitude be given the committee on agriculture with respect to the calling of witnesses, and hearing a large number of people, I would point out that I am not a member of the committee on agriculture, and I understand that the power to call witnesses is in the hands of that committee. The committee will regulate as to the procedure to be followed.

Mr. HANSON (York-Sunbury): That is no undertaking.

Mr. MacKINNON (Edmonton West): I think that consistent with time and proper economy the widest possible latitude should be given the committee to get out all the information it desires. I shall be very glad to have on hand members of the wheat board and members of the Board of Grain Commissioners for Canada and, so far as other witnesses are concerned, where there is no heavy expense involved I think it would be quite in order to have them on hand. I shall be glad to do that, and shall be glad so to suggest to the committee.

But, Mr. Speaker, I was interested in the remarks made a few minutes ago by the hon. member for Rosetown-Biggar when he spoke about revelations made this afternoon by the leader of the opposition. In 1936 I was a member of the special committee on agriculture, and heard what I understand to be exactly the same line of suggestion or charges, if I may use that word, as were made in the house this afternoon. At that time I was particularly interested in the two men who led the battle in getting out as much information as possible. I refer to the then member for West Calgary, Mr. Bennett—now Viscount Bennett—and the hon. member for Rosetown-Biggar. I was particularly interested in what I considered to be the splendid manner in which they sought to get from the witnesses all possible information. The evidence of that committee is printed in full and is available, and I believe it deals with exactly the same subjects as were introduced this afternoon by the leader of the opposition.

Mr. HANSON (York-Sunbury): But that committee sat under another chairman.

[Mr. Stirling.]

Mr. MacKINNON (Edmonton West): I shall, however, ask the committee on agriculture to which this bill is referred that, consistent with time and reasonable economy, the widest possible opportunity be given members of the committee.

Mr. HANSON (York-Sunbury): Would the minister go further? I have no doubt what he has said would be quite satisfactory to members of the committee; but will he have the evidence printed? It seems to me that is very important, too.

Mr. GARDINER: The committee decides that.

Mr. HANSON (York-Sunbury): But the committee refused to do it on the other bills.

Mr. GARDINER: No; they did not refuse. It was finally agreed that it would not be done with respect to the two, but this was left for decision.

Mr. HANSON (York-Sunbury): If the question is still open, all right.

The house divided on the amendment (Mr. Douglas, Weyburn) which was negatived on the following division:

YEAS

Messrs:

Anderson	Hlynka
Bence	Johnston (Bow River)
Black (Cumberland)	Kuhl
Blackmore	Lacombe
Boucher	Lockhart
Cardiff	MacInnis
Casselman (Grenville-Dundas)	MacKinnon (Kootenay East)
Castleden	MacNicol
Church	Nicholson
Coldwell	Nielsen, Mrs.
Diefenbaker	Noseworthy
Douglas (Weyburn)	Perley
Esling	Quelch
Fair	Ross (St. Paul's)
Fraser (Peterborough West)	Ross (Souris)
Gillis	Rowe
Graydon	Roy
Green	Shaw
Hansell	Stirling
Hanson (York-Sunbury)	Stokes
Harris (Danforth)	Tustin
	White
	Wright—44.

NAYS

Messrs:

Abbott	Bonnier
Authier	Bourget
Bercovitch	Breithaupt
Bertrand (Laurier)	Brunelle
Bertrand (Prescott)	Casselman, Mrs. (Edmonton East)
Black (Chateauguay-Huntingdon)	Chevrier
Blanchette	Cleaver

Cloutier	McDonald (Pontiac)
Coté	McGarry
Crerar	McGibbon
Crète	McIvor
Davidson	Mackenzie (Vancouver Centre)
Dechene	MacKinnon (Edmonton West)
Denis	McKinnon (Kenora-Rainy River)
Donnelly	McLarty
Douglas (Queens)	MacLean (Cape Breton North-Victoria)
Dubois	McLean (Simcoe East)
Durocher	Macmillan
Edwards	McNevin (Victoria, Ont.)
Emmerson	McNiven (Regina City)
Eudes	Marier
Evans	Martin
Farquhar	Matthews
Fauteux	Maybank
Ferland	Mayhew
Ferron	Michaud
Fontaine	Mullins
Fournier (Hull)	Mulock
Fournier (Maisonneuve-Rosemont)	Neill
Furniss	Nixon
Gardiner	O'Neill
Gauthier	Parent
Gershaw	Pottier
Gibson	Pouliot
Gingues	Purdy
Gladstone	Reid
Golding	Rennie
Graham	Rhéaume
Grant	Rickard
Gray	Ross (Calgary East)
Gregory	Ross (Middlesex East)
Hanson (Skeena)	Ross (Moose Jaw)
Henderson	Ryan
Hill	St. Laurent
Howden	Sanderson
Hurtubise	Sissons
Ilsley	Soper
Jean	Sylvestre
King, Mackenzie	Taylor
Kinley	Telford
Kirk	Thorson
LaCroix (Quebec-Montmorency)	Tripp
Laflamme	Tucker
Lafontaine	Turgeon
Leger	Veniot
Little	Vien
Lizotte	Ward
McCann	Warren
McCuaig	Weir
McCubbin	Whitman
McCulloch	Winkler—125.
MacDiarmid	
Macdonald (Brantford City)	
Macdonald (Halifax)	

Mr. LIGUORI LACOMBE (Laval-Two Mountains): Mr. Speaker, before we proceed with the vote on the main motion for the second reading of this bill, I sincerely believe, because of the differences of opinion expressed in this house by hon. members representing the eastern and western parts of Canada, that the Canadian people should be consulted by way of a referendum on the question of national importance raised by this measure. I admit that the wheat producers of the prairie provinces are living through difficult times, but the eastern farmers are also experiencing hardships just as serious, and I have often exposed their plight to this house. On the one hand, the wheat grown by the western farmers is selling at a very low price; on the other, the farmers and consumers in the east are paying very high prices for wheat flour and bread. Farmers can obtain the by-products of western wheat, such as bran, only upon conditions which resemble robbery. In Canada the trusts are exploiting both the consumer and the farmer. What is the government doing to stop these abuses?

Mr. CLEAVER: Mr. Speaker, I rise to a point of order. The hon. member is reading his speech.

Mr. SPEAKER: Order. Objection has been taken that the hon. member is reading his speech.

Mr. LACOMBE: I am not reading my speech, Mr. Speaker; I am only referring to my notes. When I read a speech I am obliged to use glasses.

Mr. SPEAKER: I accept the statement of the hon. member.

Mr. MACKENZIE (Vancouver Centre): Mr. Speaker, I rise to a point of order. On March 3 the hon. member spoke to the main motion before the amendment proposed by the hon. member for Weyburn (Mr. Douglas) had been moved. Therefore, since he has already spoken on the main motion I submit that he is out of order.

Mr. SPEAKER: I have just received the record, which shows that the hon. member spoke on the main motion, at page 1183 of *Hansard,* before the amendment was moved. Therefore, he is out of order.

Mr. LACOMBE: Mr. Speaker, I submit that I never spoke on the main motion or on the amendment. I am now moving an amendment which reads as follows—

Mr. SPEAKER: Order. At page 1183 of *Hansard* the hon. member is reported as having spoken on the main motion prior to the moving of the amendment by the hon. member for Weyburn, and the hon. member is therefore not entitled to speak again on the main motion.

Mr. LACOMBE: Mr. Speaker, I move the following amendment.

Mr. SPEAKER: Order. The amendment was moved at page 1190 of *Hansard,* subsequently to the speech made by the hon. member on the main motion. The hon. member is therefore not in order in speaking now on the main motion.

Mr. LACOMBE: Mr. Speaker, if I have spoken on the main motion, that does not prevent me from moving an amendment now?

Mr. SPEAKER: The hon. member has already spoken on the main motion and is not entitled to speak on it again.

Mr. LACOMBE: I shall not speak but move an amendment.

Mr. SPEAKER: The hon. member is not entitled to speak now.

Mr. LACOMBE: I appeal from your decision, Mr. Speaker.

Mr. SPEAKER: Five members must rise for an appeal to the house. The question is on the main motion.

Main motion (Mr. MacKinnon, Edmonton West) agreed to, bill read the second time and referred to the standing committee on agriculture and colonization.

WAR APPROPRIATION

PROVISION FOR GRANTING TO HIS MAJESTY AID FOR NATIONAL DEFENCE AND SECURITY

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

Resolved, that it is expedient to introduce a measure to provide, *inter alia*,

1. That sums not exceeding $2,000,000,000 be granted to his majesty towards defraying any expenses or making any advances or loans that may be incurred or granted by or under the authority of the governor in council during the year ending March 31, 1943, for—

(a) the security, defence, peace, order and welfare of Canada;

(b) the conduct of naval, military and air operations in or beyond Canada;

(c) promoting the continuance of trade, industry and business communications, whether by means of insurance or indemnity against war risk or in any other manner whatsoever; and

(d) the carrying out of any measures deemed necessary or advisable by the governor in council in consequence of the existence of a state of war.

2. That the governor in council be empowered to raise by way of loan under the provisions of the Consolidated Revenue and Audit Act, 1931, such sum or sums of money, not exceeding in the whole the sum of $2,000,000,000 as may be required for the purpose of defraying such expenses or making such advances or loans, the principal and interest of any such loan to be a charge upon and payable out of the consolidated revenue fund.

3. That the governor in council be empowered to reexpend, advance or loan moneys that may be received by way of refund or repayment of advances, loans or expenditure under the war appropriation acts of 1939 (second session), 1940, 1941 and 1942.

Motion agreed to and the house went into committee thereon (Mr. Vien) in the chair.

[Mr. Speaker.]

Mr. ILSLEY: This is an important resolution, and at this stage I should like to make a brief statement with respect to the subject matter. There are so many other matters that must be advanced before the Easter recess that it is not my expectation that we shall be able to debate this resolution at all, or at least to any extent, before the Easter adjournment, but it is important for the purposes of interim supply that it be placed before the committee of the whole as is being done to-night. If the committee thinks fit, I suggest that I make a statement on the resolution and that then the committee report progress and we go on to some other measure which it is important should be introduced and dealt with before the Easter recess. The debate on this resolution in committee of the whole will, I assume, take days and perhaps weeks, because this is the occasion when the members of the House of Commons have their opportunity of asking the government what disposition was made of the money that was voted last year, why we require so much money this year, and what is to be done with the money that is to be voted. It is not a matter which I would expect to be dealt with quickly. My suggestion is, if I may repeat, that I make a statement on the subject to-night. Then someone might move that the committee rise, report progress and ask leave to sit again, and we could go on with other financial matters.

This resolution seeks permission to introduce a measure which will provide the major appropriation for our war expenditures during the new fiscal year which begins on April 1. If the resolution passes, it will be followed by a bill which, when enacted, will become the War Appropriation Act, 1942. The bill will be in substantially the same form as the appropriation acts of 1939, 1940 and 1941, except that the amount requested will be vastly greater, reflecting the ever-growing scale of Canada's war effort. But even the $2,000,000,000 requested by this resolution will fall far short of representing the total sum which will be required during the next fiscal year to finance Canada's war expenditures.

As the Prime Minister (Mr. Mackenzie King) explained to the house some weeks ago, our total war expenditures for next year are estimated at approximately $3,000,000,000, roughly about six times the total expenditures of this government in the pre-war years. Hon. members may ask how the remaining $1,000,000,000 will be provided. As the speech from the throne indicated, it is our intention to ask parliament to approve the making of a free and unconditional gift of $1,000,000,000 worth of foodstuffs, raw materials, munitions and

other war supplies, to the United Kingdom. In other words, instead of the indirect assistance to Britain, which we have been giving in the past, in order to enable her to finance her enormous purchases in Canada, we propose in future to provide these war supplies to Britain as a direct part of Canada's war effort, up to the amount of $1,000,000,000. It is therefore my intention to move later—I hope to-morrow—a companion resolution now on the order paper, which will seek authority to introduce another appropriation bill, which will be called the War Appropriation (United Kingdom financing) bill. This latter bill will provide, among other things, for an appropriation of $1,000,000,000 for this purpose.

It is true that the appropriations to be authorized by this second measure will not relate exclusively to the fiscal year 1942-43. It will provide continuing statutory authority not related to any one fiscal year. It is my hope that it will be passed promptly and that the appropriation it will provide will become operative during the present fiscal year and will cover expenditures incurred during, say the present month as well as during the remaining months of 1942 and for some time in 1943.

When the War Appropriation (United Kingdom financing) bill is before the house I shall attempt to explain more fully how the $1,000,000,000 appropriation is to be divided between this year and next year. I thought, however, it was necessary for me at this time to make this brief reference in order that the house might understand why we are asking at this time, in the present resolution, for only $2,000,000,000, although we have estimated that our war expenditures will run to about $3,000,000,000 during the coming fiscal year.

If I may now return to the resolution which I have moved, I would point out that the main war appropriation bill which the resolution precedes will, as last year, contain three essential features. First, it will ask for a vote of credit for war purposes, but this time, as I have said, for $2,000,000,000. Second, it will ask for a grant of borrowing authority; in other words, the bill, if passed, will enable the government to borrow funds to pay for any of the expenditures covered by the vote of credit if such borrowings are proved to be necessary. Third, as was the case with last year's bill, the new bill will confer power on the government to act as the agent of any British or allied government and, in this capacity, to incur temporarily obligations or costs which are recoverable from the government concerned. One of the few changes in this year's bill is to extend this power to cover obligations or costs temporarily incurred by a crown corporation such as War Supplies Limited, while acting as agent of the British or an allied government.

The first of these three features, namely the grant or vote of credit, is, of course, the most important aspect of the bill. To enable the house to discuss the magnitude of the vote requested, I shall first give some data and estimates as to our direct war expenditures during the current fiscal year. Hon. members will recall that when I spoke on the corresponding resolution of last year I said that the government had decided to ask parliament for an initial war appropriation of $1,300,000,000, although the war programme, as then outlined, would involve, according to the estimates of the departments, a total estimated expenditure in excess of that sum by perhaps $150,000,000. I explained some of the difficulties involved in making any advance precise estimates or rather forecasts of the probable cost of a full year's war effort, and I stated that if the departmental estimates were in fact realized, it would be necessary to come back to parliament for a supplementary appropriation toward the end of the fiscal year.

As every one knows, the monthly expenditures on war have been rising rapidly, and I expect that within a few days I shall have to introduce a supplementary appropriation for the current fiscal year for an amount of probably $135,000,000 to carry us through to the end of this month and to take care of outlays during April relating to expenditures made during the present fiscal year ending this month.

The latest estimate, which was made some days ago, and is still subject to revision, is that total direct war expenditures for the current year will reach about $1,431,000,000. This total may be broken down approximately as follows:

Army	$ 515,000,000
Navy	139,000,000
Air force, Air training plan (Canada's share)	258,000,000
Air force, home war defence and overseas	156,000,000
Munitions and supply	252,000,000
Other departments	111,000,000
Total	$1,431,000,000

This amount, it will be noted, is very close to the total of the estimates made by the departments last spring. As the house may recall, it contrasts with total direct war

expenditures of $778,000,000 (including $26,000,000 of advances and loans charged to active assets) for the fiscal year ended March 31, 1941, and with total war expenditures of $118,000,000 in the fiscal year ended March 31, 1940.

The estimate I have just given of our war expenditures for the current fiscal year does not, of course, include the indirect assistance which we have given to the United Kingdom, and concerning which I expect to give the figures when I am dealing with the companion resolution now on the order paper.

But even excluding this substantial indirect assistance, the total represents an amount to be spent on a single year's war effort which to all of us in 1939 would have seemed incredible. For the new fiscal year, the corresponding figure for what has in the past been called our direct war effort will be nearly 50 per cent larger. As last year, we have aimed at a war programme which will represent the country's utmost capacity, the maximum which we can carry out with the physical and economic resources at our disposal. That capacity, it must be remembered, increases each year the war goes on, as existing plants are expanded and new plants are constructed to produce war equipment and supplies, as labour is trained and administrative skills are developed, as civilian expenditures are more and more restricted, and as our economy generally is more and more converted into a war economy.

I am free to say that the estimates submitted by the service departments, the Department of Munitions and Supply, and the various other departments engaged in war work, total up to a higher figure than the $2,000,000,000 which we have decided to ask parliament to authorize at this time. I need not, however, labour again the great difficulties of making precise forecasts so far in advance of actual expenditures, and particularly in a time as uncertain as the present; and of course it is always possible to come back to parliament for a supplementary appropriation if before the end of the new fiscal year it should prove that the actual expenditures are likely to exceed the vote for which we are now asking.

When the bill is before the house, detailed estimates can be given of the proposed expenditures by the various departments, but perhaps at this time I should give the house a break-down by the main categories of expenditures. Using the same classifications as I used a few minutes ago, for the probable expenditures for the current year, the estimates of the departments may be summarized in round figures as follows:

National defence:		
Army services	$997,000,000	
Naval services	259,000,000	
Air services	585,000,000	
Sundry	21,000,000	
		$1,862,000,000
Munitions and Supply		355,000,000
		$2,217,000,000
Less duplication and recoverable items, say		150,000,000
Leaving for total defence and supply departments		$2,067,000,000
Other departments		146,000,000
Total		$2,213,000,000

The house will note that I have deducted from the combined total of the defence and supply departments' expenditures $150,000,000 as a very rough estimate of the probable amount of duplications and recoverable items in the estimates of these combined departments. It will be recalled that when the war appropriation bill of last year was under discussion in committee of the whole, my colleague the Minister of Munitions and Supply (Mr. Howe) and I myself explained that there were certain inevitable duplications in the estimates of these departments. I need not say that it is practically impossible to estimate what the amount of these duplications may prove to be and what recoverable items we may have in the year; the guess I have made is my own and should not be attributed to the departments concerned.

On another occasion in this house I expressed the view that the war programme which we have planned for the coming year, the programme which will be financed by the appropriation we are now requesting plus the proposed gift of $1,000,000,000 worth of foodstuffs, raw materials, munitions and other war supplies to Britain would "strain the human and material resources of this country to the limit." I believe that statement to be true. That objective is what we were aiming at when we planned the programme. To carry out the programme, to achieve our objective will involve an ever-increasing restriction of the human and material resources that we devote to the production of goods and services for civilian satisfactions—in other words, an ever-increasing reduction in our standard of living for the time being and until the struggle for survival in which we are now engaged has been won. I am confident that no Canadian will hesitate to approve this appropriation because of this fact.

Before I take my seat perhaps I should tell the committee a little of what I shall suggest should be done in the way of voting interim supply and supplementary appropriations. It will be necessary before the Easter recess to secure a vote from this house of one-sixth of the main estimates, that is the non-war estimates, by way of interim supply. That will be provided for in one bill, and will, I anticipate, go through by consent and without any debate, the usual vote of interim supply being one-sixth. That is one bill. Then it will be necessary also, since we are so near the end of the fiscal year, to secure a vote from the house of a proportion of this $2,000,000,000 to which I have referred, so that the necessary war expenditures in the next two or three months can be met. If we have this year the experience which we had this last year—and I am not criticizing it at all—it will take weeks and perhaps months before this resolution is enacted into legislation, because this is the main war vote that we are initiating here to-night; this is the time when hon. members ask us to give an account of our stewardship and go into our whole war programme.

Mr. COLDWELL: May I make a suggestion to the minister? Discussion could be greatly expedited if this appropriation were gone into, broken down, departmentalized, and the ministers would deal with one particular phase of things at one time. Last year we wandered all over.

Mr. ILSLEY: We tried to systematize it last year. We shall try it again this year—try very hard—because the hon. gentleman's suggestion is certainly in accord with the wishes of the government. We are most anxious to keep the discussion in a particular period limited strictly to one particular department.

But let me finish what I was going to say about what it will be necessary for us to do before the Easter recess. I mentioned one-sixth of the main estimates, the non-war estimates, the interim supply.

The second measure I am going to suggest will be one-quarter of the $2,000,000,000 by way of interim supply. That will be $500,000,000, which I am told by my officers will be necessary if there is going to be any substantial delay in the voting of the $2,000,000,000.

Mr. HANSON (York-Sunbury): That will require a bill, also.

Mr. ILSLEY: It will require a bill also. That will be the second. Third, I shall have to ask the house to vote a small supplementary appropriation for the non-war estimates of last year. I have not spoken to my hon. friend about that; I did not think about it at the time, but it is a very small supplementary appropriation.

Mr. COLDWELL: What does the minister call "small"?

Mr. ILSLEY: It would be for a few million dollars only. That is the third bill. The fourth bill I shall have to try to get through parliament before the recess is the supplementary war appropriation bill, which I did mention, and which will be a bill for $135,000,000. Those four measures I hope will not take any time. I hope they will go through quickly, because so far as I know there is nothing that could be said on those that cannot be said on the measure which is now before the house, and I am willing to give any undertaking that hon. members will not be prejudiced by letting those bills go through quickly.

In addition to those four bills—the two interim supply bills and the two supplementary appropriation bills—as I have said there will also be the important bill dealing with the $1,000,000,000 worth of foodstuffs and so forth that we are contributing to the war effort. I should like to-morrow to introduce the resolution relating to that, if I can, and I would expect it to be fully debated. I am not inviting a long debate on it, but I am not asking that it be put right through without debate, because that would not be fair to the house. I am giving the house now what I expect to happen in reference to those financial measures. We may not again get at the measure now under consideration before Easter, because the other measures may take up the time. If there is an opportunity to get at it again, we shall go on in committee and discuss it as we did last year, only trying to make the discussion more systematic, as the hon. member for Rosetown-Biggar has suggested.

Mr. HANSON (York-Sunbury): I should like to say just a word in relation to these matters. Yesterday the minister spoke to me with regard to six different orders of business to be considered before the Easter adjournment, and to-night he has mentioned most of them, together with an additional one. I think I should give some explanation to my colleagues with respect to the position we are in to-night. If hon. gentlemen will look at *Hansard* for last evening, they will see that the Minister of Fisheries (Mr. Michaud), in moving the adjournment of the house, specified that to-day we would take either Bill No. 5 or the resolution standing in the name of the Minister of Pensions and National Health

(Mr. Mackenzie) with respect to the settlement of land by veterans of the present war; that then the debate on wheat would be resumed, and that if we got through with that, we should go on and take up Bill No. 2. The minister went on to say:

It will not be possible to-morrow to take up any of the resolutions standing in the name of the Minister of Finance (Mr. Ilsley).

It now turns out that the Minister of Finance, who I understood was to leave the city did not leave, and he wants this motion to go into committee to be put through for a technical reason, as it was explained to me. That reason is that after going into committee on this $2,000,000,000 war appropriation resolution he proposes, before the Easter adjournment, to ask for an interim appropriation bill covering 25 per cent of this amount, and it would not be possible to have that interim appropriation bill put through unless the resolution reached the committee stage. I do not understand the reason for that, but I am assuming it is a correct statement of the position, and it was on that understanding that I consented to what has been done to-night. Otherwise there would have been discussion, or perhaps otherwise the minister would not have moved this resolution to-night. But I would not want the minister to go on with any further money bills or resolutions or appropriations to-night, because we have had absolutely no notice of any intention to do so.

The minister has made it quite clear that any hon. member who wishes to make a speech during the resolution stage may do so on the interim supply bill appropriate to the $2,000,000,000 war measure, and that I think will take care of the position of certain hon. members who desire to speak during the resolution stage of this $2,000,000,000 bill.

Mr. ILSLEY: If the hon. gentleman will permit me, I did not intend to suggest that speeches should be made on the interim supply bill. I suggested that speeches be made on this resolution in committee.

Mr. HANSON (York-Sunbury): No; that is not good enough, and I will tell the minister why. Hon. gentlemen who have speeches to make in connection with this $2,000,000,000 appropriation are not entitled to speak in accordance with arrangements made by the whips when the Speaker is not in the chair. When the house is in committee of the whole, with the deputy speaker in the chair, it is a case of whoever can catch the chairman's eye. Hon. members know it is catch-as-catch-can then, and it is a discommoding procedure. Therefore I think we must reserve the right to hon. members who want to make a speech on this war appropriation measure to do so before the 25 per cent is finally voted, and they must have the right to do that with the Speaker in the chair. There is an important distinction, and I think on reflection hon. members will realize what it is. That is what we would desire to do, and what I thought could be done as a result of what the minister stated. We understood there would be an interim appropriation bill, on which occasion any hon. member who desired to do so could make a speech, before the Easter recess. I suggest that this would help clear the air, and that hon. gentlemen who thought they were going to speak on the resolution but who have not been permitted to do so because of a desire to expedite the minister's position should be given an opportunity to do as they wish, and I hope the minister will reciprocate to that extent.

Mr. ILSLEY: I do not mind one bit, so long as I get through. I do not, however, for important reasons, want that $1,000,000,000 bill hanging over the Easter recess.

Mr. HANSON (York-Sunbury): That is on another footing altogether.

Mr. ILSLEY: If there is time to get that bill through the house, get my other legislation in and get this interim supply through, I do not care how many speeches are made on it. But I do dread the possibility of arriving at Friday of next week with the bill relating to the $1,000,000,000 not through and the interim supply bill being fully debated.

Mr. HANSON (York-Sunbury): I cannot control the procedure on the $1,000,000,000 bill. Any number of members may wish to speak on that, and the debate may go on for a month. I am, however, going to try to help expedite it; I said I would and I shall.

Mr. COLDWELL: Would it be possible by agreement to expedite the committee stage, and if a full dress debate is to be held, then have it on the second reading of the bill? We could have an understanding to that effect; the Speaker would be in the chair, and at that time we could take up anything we might have wanted to take up on the resolution.

Mr. HANSON (York-Sunbury): No; then you are confined to the principle of the bill.

Mr. COLDWELL: I can appreciate the position of the minister. We are only ten days away from the Easter recess, and I take it that the $1,000,000,000 resolution and bill are somewhat pressing.

Mr. ILSLEY: Yes, they are.

Mr. COLDWELL: The minister wishes to get that through first. If we begin to debate this I imagine we shall be debating it when we rise at Easter.

Mr. POULIOT: Mr. Chairman, there is an easy way to settle this matter. We could proceed with the resolution in committee; and when the time of the Easter adjournment comes, the house could agree to one-sixth of the amount, subject to the continuation of the discussion as soon as the house meets again. Every hon. member will admit that the discussion of this resolution is much more important than any debate or discussion on the plebiscite and, in my humble view, it should have come before the house much earlier, so that hon. members would have had an opportunity to discuss the whole matter.

This is not a time to make speeches and homilies; it is a question of knowing how money will be spent, and that is all. Here we are facing again the question of ministerial responsibility. At times we hear ministers say, "We have assumed a tremendous responsibility." I understand that in a time of war it is no fun, and the ministers have to make decisions. But those decisions are not the ministerial responsibility. Ministerial responsibility is the rendering of public accounts to the representatives of the people assembled in the House of Commons of Canada, whether they sit in the house or in committee.

Last year I remember well that I mentioned the way in which public accounts were rendered, and pointed out that I was scandalized by the condition of affairs. I could not conceive why it should be that the larger the expenditure, the tinier would be the public account, and I made representations to that effect. I remember well that at that sitting a Conservative member of high standing, the hon. member for Davenport (Mr. MacNicol) came to me and told me I was absolutely right.

Mr. MacNICOL: So you were.

Mr. POULIOT: Thank you. And a day or two later the leader of the opposition (Mr. Hanson) made exactly the same argument, in which he complained about the way in which the accounts were rendered. Then the right hon. the Prime Minister (Mr. Mackenzie King) in front of the whole house promised me that this year there would be an improvement in the rendering of public accounts. Unfortunately no one has seen any improvement.

Mr. MacNICOL: Worse.

Mr. POULIOT: No improvement in the way in which public accounts have been rendered this year; they are not any better than they were last year. Hon. members know very well that there are departments which give positively no information regarding the details of expenditures of public moneys. There is not any account for one cent spent by many departments, except as they appear in the accounts of the auditor general. Further, sir, the Department of Finance is the one department in the government which does not render any account. The accounts are rendered by the auditor general, and we do not find in them any items of a less amount than $5,000.

Mr. HANSON (York-Sunbury): I think it is $35,000 now.

Mr. POULIOT: Perhaps; that is much worse.

Mr. MacNICOL: That is why I said it was worse.

Mr. POULIOT: It is much worse. There is not a single elector in Canada who is not entitled to full information concerning the rendering of public accounts.

Mr. MacNICOL: Absolutely.

Mr. POULIOT: Sometimes we hear complaints about the number of questions asked in the house by hon. members about the salaries paid to Mr. So-and-so, or the travelling expenses of Mr. So-and-so, or the living allowance of Mr. So-and-so, et cetera, et cetera, et cetera. In former years it was easy to look into the public accounts, which were certified by an officer of the crown receiving $15,000 a year, who could be discharged only by joint vote of the Senate and the House of Commons. Those accounts were complete. Then, if an elector, no matter how humble, came to his member to obtain some information about this man, that man or the other man, after having a glance over the public accounts the member was in a position to inform his constituent without having to ask the government a question during a session.

I have had a glance at the Orders of the Day and *Votes and Proceedings*, and I have seen the numerous questions asked by my colleagues for information which was available in former years without making any request. Is it because we are at war that we have completely lost responsible government—the responsible government for which our ancestors in this country fought? Have we lost the responsible government for which William Lyon Mackenzie, the grandfather of my chief, the Prime Minister, suffered so much? We have statues all round this building, and I

would draw the attention of hon. members particularly to the monument commemorating Lafontaine and Baldwin, the men who succeeded in obtaining responsible government for Canada.

Not only have we lost responsible government, but we have lost even the notion of responsible government. We are now asked to swallow a piece of legislation referring to the expenditure of the astronomical sum of $2,000,000,000. We are asked to spend it like a drop of water—not a glass of water, just a drop. It is pretty hard for us to do that, because the constituents of each hon. member, whether on this side of the house or on that side, will have their right not only to inquire of their members about public accounts, but to ask those members in their own offices, or where they may receive the people of their constituency, "Sir, I am coming to you for information. Will you please tell me how much has been spent for—" some work, or possibly a salary, or some other kind of expenditure. Will those constituents be satisfied if the member answers: "Wait until the next session, and if we have an opportunity before adjournment we shall try to get the information for you."

No; it is not a matter of making speeches; it is a matter of getting accurate and complete information. The discussion will be longer just because of the fact that the public accounts are shapeless. There is not a province in Canada, not a city, not a township, not a village, no matter how small, where public accounts like these would be accepted, where they would satisfy those who have the responsibility of government. I am not talking in a grouchy or harping way; I am saying this because I feel it is my public duty. I am ready to support the government to the limit, but I do not want this house to lose rights for which our ancestors paid so dearly.

When I refer to the house, I do not mean only when Mr. Speaker is in the chair; I am referring also to when we sit in committee of the whole. We should follow the great example and traditions at Westminster. They are at war in England just as we are. They do not feel that being at war makes it impossible to check expenditures. The committee of national economy sits daily under the roof of Westminster and every expenditure is checked. There is public control through the members of parliament—they have the House of Lords and we have the Senate—over every expenditure, no matter how small. Last year I was promised solemnly—the house was promised that there would be an improvement in the public accounts. But nothing has been done; they are worse than before. I do not speak as a bad Liberal; I speak as one who is a Liberal at heart.

Mr. MacNICOL: You are speaking a lot of good sense to-night.

Mr. POULIOT: If my hon. friend would listen to me all the time, he would say that quite often. We must follow what has been done at Westminster during the long centuries since magna charta. There has been ministerial responsibility for the rendering of complete accounts for each expenditure. That is the British tradition. It is not sufficient for anyone to wrap himself in the British flag and say that he is a good British citizen. The flag represents a great past and great ideals, but there is something important that should never be forgotten. I refer to the traditions which have been followed closely during the centuries, the traditions of true democracy. We must follow these real British traditions in this house if we are to remain a British House of Commons.

I do not intend to say much more to-night because I have said enough. I have expressed my very deep disappointment and I, for one, will not tolerate such legislation passing in a hurry. We shall have to take our time. I am ready to sacrifice the Easter adjournment and stay here in Ottawa in order to scrutinize these expenditures to the last cent. I have made other sacrifices and I am ready to make this one. I might take a Sunday in order to see my electors, but I am ready to sit here every day in the week except Sunday and work conscientiously as a member of parliament in order to keep the confidence of my people.

If the Minister of Pensions and National Health (Mr. Mackenzie) wishes to go to Vancouver, he can stay with us all week, take an aeroplane at night, spend the afternoon in Vancouver and be back with us the day after. But I am sure that he is ready to make the same sacrifice as I am, and I am sure that all other hon. members are ready to do the same. Let us not be afraid to talk British common sense in times of war as well as in times of peace. The promise to which I have referred was made to the whole house because it was given at three o'clock on the orders of the day by no less a person than the right hon. the Prime Minister, my leader. That promise should not be forgotten. Moreover, that promise will be kept. I suggest that the public accounts which are unsatisfactory should be republished in as complete a form as they were during the last war. They are simply shapeless now. The smallest municipal council, the smallest school commission, would not

accept accounts like that. How is it that we as members of parliament, representing 245 constituencies—244 now—should be expected to accept such shapeless accounts?

Let us not be afraid to use plain language to express our thoughts. My language to-night has not been private; it has not even been feeble. I believe I have spoken clearly enough to be understood by everyone. This is no joke. We are ready to go the limit to support the government, but this passes the limit.

Mr. MacNICOL: It is beyond the limit.

Mr. POULIOT: It is beyond the limit; the hon. member for Davenport (Mr. MacNicol) is absolutely right. This matter is serious. The victory loan campaign is over and the loan has been oversubscribed, so it cannot be said that we would be handicapping its success by discussing these questions. Every one did his share to make the loan a success. As I told my constituents—I want *Hansard* to translate that as "electeurs"—on previous occasions, it was the right thing to subscribe to the victory loan, but I was coming to Ottawa to try to check expenditures so that there would be no waste.

What I said to my people in my constituency—and I want *Hansard* to translate the word "constituency" by "comté"—I repeat now because I have no two ways of expressing myself, one way in the House of Commons and a different way in Témiscouata. I use the same language in both places and it pays in the long run. I hope that my hon. friend the Minister of Finance (Mr. Ilsley) will have an opportunity to think over this matter and, as night sometimes brings good counsel, that he may change his opinion. There might be an amicable, friendly discussion in the best possible spirit. But the most important thing is not the expression of views, however respectable they may be, by any member of parliament in this house. The most important thing is to know what is going on and how the money is spent.

Mr. MacNICOL: You cannot find that out in the public accounts to-day.

Mr. POULIOT: We shall have to get it from the committee in due course.

Mr. GREEN: If the proposal made by the Minister of Finance is carried out, the effect will be that there will be no discussion of the war effort across the floor of this house until this house meets again on April 20. To me it is almost inconceivable that the house would agree to a step of that kind being taken. The resolution which is before us to-night, and which has come up although we were told it would not come up, gives us the one chance of the whole session to discuss Canada's war effort thoroughly. There is no chance to do that on the bill which follows the resolution. The chance is on the resolution itself, and I for one do not propose to agree, if unanimous agreement is required, to any course that will result in deferring all the discussion of Canada's war effort until after April 20. We have been here already for nearly two months, and in that time there has been no real opportunity at all to discuss Canada's war effort. With the enemy threatening us on our east coast and on our west coast this house has seen fit to talk for four weeks on the speech from the throne, then for several weeks on the plebiscite, then for many more days on wheat, as if there were no war raging in the world at all. That is setting a terrible example to the people of Canada. How can we ever expect to have our people put their backs into this war when this house carries on in that way? Then to have the government make this proposal to-night I think is an insult to the Canadian people. I suggest, I demand, that every minute from now until this house adjourns on the 27th of March be spent in discussing the war effort of this nation.

Mr. CHURCH: Mr. Chairman, I wish to protest against this way of doing business. His majesty's forces are represented in this house by three ministers, one for the army, one for the navy, and one for the air force, and not one of these ministers is here to-night. I protest against voting $2,000,000,000 at 10 o'clock to-night. We spent in 1896 $36,000,000 for the total maintenance charges of Canada. Where are we in this war? Nobody knows where we are. We have nothing in the Pacific at all.

I say to the government, you have let Australia down. Before the war started you were dependent on pacifists. This resolution speaks for itself; but before the war, you not only threw away defence, but threw away your friends. The Minister of Finance now brings down a resolution—

—that sums not exceeding $2,000,000,000 be granted to his majesty towards defraying any expenses or making any advances or loans that may be incurred or granted by or under the authority of the governor in council during the year ending March 31, 1943.

All that $2,000,000,000 will not amount to 50 cents in beating Hitler. You let Australia down. You threw Australia to the wolves at the imperial conference in 1937 when Australia asked this dominion to give a large grant to the Singapore base, which would have resulted in safeguarding British Columbia and the Pacific. But this government at that conference refused to have anything to do with the

Singapore base, and refused to adopt the Jellicoe report which would have given us adequate protection in the Pacific. You had a navy of three or four cruisers and a destroyer, boats which, added up, amounted to 9,240 tons, about the size of a good 10,000-ton tramp steamer to protect us in the Pacific. When we saw the war coming; when Hitler had invaded Czechoslovakia, when his armies had crossed the Rhine, which Mr. Baldwin said was our first line of defence, this government and hon. gentlemen opposite refused at that colonial conference of 1937 to go into an empire shipping scheme. They were told at that conference by New Zealand and Australia what the disasters might be to this dominion from the Pacific, and they refused to do a thing. They said: "We have no commitments, parliament must decide."

When you look at the text of this resolution for $2,000,000,000, you see that it is for "the security, defence ... of Canada." What security or defence have we had in the past from a similar vote since the war broke out?

The CHAIRMAN: Order. It is 11 o'clock.

Mr. ILSLEY: I am going to move in a minute that the committee rise—

Mr. CHURCH: I move that the committee rise.

Mr. ILSLEY: —report progress and ask leave to sit again. But first let me say just one thing. Any statement that we are trying to preclude, or delay, or defer discussion of the war effort is entirely unwarranted, and I never was more surprised than I was when I heard the hon. member for Vancouver South make the statement he did to-night. All I am asking now—and I am putting all my cards on the table—is this: I am saying that for tremendously important reasons I want interim supply, the supplementary appropriations and the $1,000,000,000 bill passed. If the house will do that, they can take the rest of the time, so far as I am concerned, on this matter before the house. The house has some responsibility at a time like this—

Mr. GREEN: So has the government.

Mr. ILSLEY: Discussion is important, but there are certain definite things that must be done, matters of great moment. I am simply asking the house to help me get those things done when they have to be done. Then they can take the rest of the time to discuss the war effort. No one is trying to shut off discusssion or prevent any one from talking.

Mr. CHURCH: I rise to a point of order. A speaker cannot be interrupted, and the minister interrupted me when I was speaking. The rules of the house are the same in committee as in the house. I move that the committee rise.

The CHAIRMAN: It is eleven o'clock. It has been moved by Mr. Ilsley that the committee rise, report progress and ask leave to sit again.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Wednesday, March 18, 1942

The house met at three o'clock.

REPORT OF COMMITTEE

First report of standing committee on agriculture and colonization.—Mr. Weir.

PRIVILEGE

MR. LACOMBE—ARTICLE PUBLISHED IN "L'ACTION CATHOLIQUE" ON MARCH 17

Mr. LIGUORI LACOMBE (Laval-Two Mountains) (Translation): Mr. Speaker, on a question of privilege, I wish to state that on March 17, 1942, *L'Action Catholique* published the following remarks about me:

> While behaving like a choir-boy, Mr. Lacombe uses coarse language. . . .
>
> Yesterday he said, without turning a hair, that the Quebec East electors had allowed themselves to be bribed wholesale because they did not vote for the Canadian party.

Mr. Speaker, I submit that this item is a pure fabrication. The hired scribe of *L'Action Catholique* would deserve to be summoned to the bar of the House of Commons to answer for his wanton attack against me and the Canadian party.

Mr. Lorenzo Paré would like to shelter under a racial cloak the alleged hero whose defence he takes. What he writes about me is a tissue of lies. The ineptitudes of that scribe are beneath my contempt.

Since it has allowed such foul statements to be published in its columns, I ask the readers of *L'Action Catholique* to return that paper to its editor, after having struck out the word "Catholique", which those people should no longer be permitted to besmirch. The fact that they are drawing money from the provincial treasury is their own concern. They are at liberty to wallow in the black ink of Mr. Godbout's printing contracts. Let them change the name of their paper or cease to publish it, because that is imperative in the best interests of religion and country. How shameful for a

paper bearing such a great name to ridicule the choir-boys who are both the adornment and the pride of our places of worship!

Some hon. MEMBERS: Order.

Mr. LACOMBE: How can a paper which bears such a great name attack a member who has for years stood up in this parliament in defence of our religion and our creed against the attacks of the Reverend Shields and the breakers of the Sabbath. What a servile attitude! What a disgrace!

MR. RALSTON—REFERENCE TO STATEMENT OF THE LEADER OF THE OPPOSITION IN DEBATE ON MARCH 17

Hon. J. L. RALSTON (Minister of National Defence): Mr. Speaker, I rise to a question of privilege. Yesterday afternoon when I was out of the house the leader of the opposition (Mr. Hanson) made this statement, as reported at page 1372 of *Hansard:*

How different was the position in 1935 when the legislation was set up.

He was speaking of the wheat bill. He went on to say:

The present Minister of National Defence, then the mouthpiece for the grain exchange and the other big interests from Winnipeg—

Mr. HANSON (York-Sunbury): Was this not all gone into last night? Can it be done a second time? Two questions of privilege on the same matter?

Mr. RALSTON: My hon. friend is extremely agitated;—

Mr. HANSON (York-Sunbury): Not a bit.

Mr. RALSTON: —he was not so agitated when I called him at his room last night and advised him that I was going to speak of this in the house. I call on my hon. friend to withdraw unequivocally that statement. I unequivocally denied it and my hon. friend knows perfectly well it is untrue. I ask him to withdraw it.

Mr. HANSON (York-Sunbury): I will certainly deny that I knew it was untrue. If the statement is unparliamentary I will withdraw it. If he was not the mouthpiece of the big interests then he was the ally of the big interests.

Mr. RALSTON: I am asking that my hon. friend unequivocally withdraw that statement. I deny equally that I was the ally of the big interests. I want to say to my hon. friend that if there was anything wrong in connection with the legislation which was introduced and supported at that time by my associates and myself, his government, which commanded a very large majority in this house, could very readily have voted it down. Instead of that, the then prime minister, his leader, accepted those suggestions, put them in a bill and passed the bill, and further my hon. friend stated yesterday that what was proposed was "quite proper and was quite properly agreed to, and that was done."

Mr. HANSON (York-Sunbury): Why make a speech about it?

Mr. RALSTON: I am not making a speech; I am stating to my hon. friend that the statement that I was the ally of the big interests or that I was the mouthpiece of the big interests are both equally and unequivocally false.

Mr. HANSON (York-Sunbury): If the statement is unparliamentary I withdraw it.

Mr. RALSTON: I ask my hon. friend to withdraw the statement unequivocally.

Mr. HANSON (York-Sunbury): Does your Honour rule that I have to withdraw that statement?

Mr. SPEAKER: A specific denial has been made of the statement, and I think it should be withdrawn.

Mr. HANSON (York-Sunbury): I bow to your ruling and withdraw it.

MR. POULIOT—REFERENCE TO STATEMENT OF MR. RALSTON ON MARCH 5

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, I rise to a question of privilege, and I shall proceed by referring to some exhibits. Exhibit P-1 is the French text of a letter which I read in the house on March 2, and which is transcribed at page 953 of *Hansard.* I hold in my hand the very copy that was sent to *Hansard,* in which there is reference to "F. Lieutenant, Mr. Wisseman," though I learned afterwards that the real name was Wiseman. Exhibit P-2 is a copy of *Hansard* for March 2, in which I note something wrong in the translation of that letter. The translation does not mention that "F. Lieutenant Wisseman" was "F. Lieutenant." He is only called "Lieutenant Wisseman." Exhibit P-3 is a copy of *Hansard* of March 5 at which time, on the orders of the day, the Minister of National Defence (Mr. Ralston) referred to my statement, which I have already mentioned, in these words, at page 1049:

During the course of that same speech the hon. member read a letter from some young man at a training camp at Brantford, complaining that he had been subjected to some persecution on account of speaking French, and that in the course of an altercation which

occurred he was arrested and put into the guard room. I have had a report from the training camp at Brantford, and the information I get is that a check of the guard reports reveals that only two men were confined in the guard room over the week-end of February 1, 1942, which was the date referred to, these being two drunks. Neither of these men was a French-Canadian. Inquiries made of all concerned reveal no knowledge of any such fracas as that described. There is no officer at this training centre by name of Lieutenant Wisseman, which is the name of the officer referred to by the hon. member in his speech.

There are many other exhibits which I cannot produce just now. They are copies of the five o'clock editions of the local newspapers on March 5, and the morning editions of March 6, in which the statement made by the minister in the house was quoted under big headlines. But on March 4, before the minister made his reference in the house, Mr. Malcolm MacLean, one of the assistants to the Minister of National Defence for Air (Mr. Power), telephoned and asked for a copy of the letter, which I sent him. Then I received from the air department a report which was altogether different from that received from the Department of National Defence. All the facts I mentioned in the house were substantiated in the report that was sent to me by Mr. MacLean.

I congratulate the Minister of National Defence for Air on having transferred the man who lodged the complaint to another camp in the province of Quebec. But my first point is this. We have such difficulty in getting information at times, especially from the Department of National Defence, that when hon. members ask for definite information they should be given accurate information. My second point is that during this war all five war ministers are jointly responsible for all war departments, and no minister can give information of the kind given by the Minister of National Defence unless he obtains complete information beforehand. There are two camps in Brantford, one under the Department of National Defence and the other under the Department of National Defence for Air. My submission is that it was not right for the Minister of National Defence to answer the question as he did without first looking at the text of the letter I read, which was correctly quoted during the course of my speech as reported in *Hansard,* and second without knowing whether the complaint was about any camp in Brantford. Therefore, sir, I protest very strongly about it, and I hope such a thing will not occur again in future.

Hon. J. L. RALSTON (Minister of National Defence): Mr. Speaker, if my hon. friend will look at his statement at page 1046 of *Hansard* he will see that he was referring to the handicap which he said sometimes existed with regard to French-Canadians in the army. He says, "French-Canadians are often handicapped in the army," and then he goes on, "Here is a letter that I will read." He speaks of the letter being in French, and then reads it. I saw a translation of the letter; I knew it was with regard to the army, and I made this statement. I made no inquiries whatever with regard to whether or not there was a training camp at Brantford under the Department of National Defence for Air; and I had no knowledge of there being any officer by the name of Wiseman there. I made the statement with regard to the army; and I think my hon. friend will realize that I and my colleagues are associated as members of the government, just the same as I am associated with my hon. friend the Minister of Munitions and Supply, and every other minister. Each minister must answer with regard to matters which may arise concerning his own jurisdiction, and I must say that I dissent from the suggestion that before answering a question with regard to the army I have to consult my hon. friend the Minister of National Defence for Air or the Minister of National Defence for Naval Services to find out if some particular incident occurred in connection with those services.

Mr. POULIOT: Once more I was right.

ALASKA HIGHWAY

TABLING OF EXCHANGE OF NOTES BETWEEN CANADA AND THE UNITED STATES

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, on March 6 I announced the conclusion of an agreement with the United States under the terms of which the United States government had offered to construct and provide for the wartime maintenance of a road from Fort St. John in northern British Columbia to Alaska. I added that this offer had been accepted and that its terms would shortly be set forth in an exchange of notes to be made public. The exchange of notes was made this morning between the United States minister and myself, and I now table copies in English and French of those notes. I would ask the consent of the house to have the notes printed in the *Votes and Proceedings* of to-day.

Mr. HANSON (York-Sunbury): Is there any correspondence other than that to which the Prime Minister has now referred?

Mr. MACKENZIE KING: That is the only correspondence I am at liberty to table at the present time. However I shall see if there is anything else that might be laid on the table.

CANADIAN ARMED FORCES

MEASURES TO ESTABLISH UNITY OF COMMAND IN RESPECT OF COASTAL DEFENCE

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I should like to make an announcement with respect to unity of command between the different services on the Atlantic and Pacific coasts.

The war committee of the cabinet have approved a unanimous recommendation from the chiefs of staff that the following measures be implemented at once with a view to establishing unity of command as between the three Canadian services in respect of the defence of the west coast of Canada, the east coast of Canada and Newfoundland:

(a) The senior member of the joint service committee on the west and east coasts to be designated as commander-in-chief, west coast defences and east coast defences respectively.

(b) The primary function of the commander-in-chief will be to coordinate the preparation and execution of the defence plans of the three services in respect of such forces as may be allotted to his command by the chiefs of the respective services. He will in consultation with the senior commanders of the other services, allocate tasks to the three services and coordinate the combined effort.

(c) The commander-in-chief will exercise strategic direction of all three services and tactical command of his own service. He will not exercise tactical command in respect of any service other than his own. To ensure closer tactical coordination, the operations rooms of the three services on both coasts are being combined.

(d) The senior member of the joint service committee in Newfoundland will be designated, in respect of the three Canadian services, as commanding Newfoundland, defences. His functions in respect to Newfoundland will be the same as those laid down above for commanders-in-chief, west or east coast defences.

Hon. R. B. HANSON (Leader of the Opposition): Now that the Prime Minister has made that announcement may I say that it is quite in conformity with what the hon. member for Vancouver South (Mr. Green) has advocated—and I do not intend to forestall him. However I should like to commend the Prime Minister for making the announcement in parliament rather than having members of parliament read it in the public press.

Mr. GREEN: Could the Prime Minister tell the house what particular officers will be in command as a result of this change?

Mr. MACKENZIE KING: On the Pacific coast I believe it will be Major-General Alexander, who is at the present time the senior officer. On the Atlantic coast it will be Major-General Elkins, and in Newfoundland Major-General Page.

Mr. CHURCH: Would the Prime Minister be good enough to tell the house what military value this road will have?

Mr. MACKENZIE KING: I was speaking about the military command. Is my hon. friend speaking about the Alaska highway? Perhaps he would refer his question to the hon. member who sits immediately behind him.

WOOL

ORDER IN COUNCIL SETTING UP CANADIAN WOOL BOARD LIMITED

Hon. J. L. ILSLEY (Minister of Finance): Mr. Speaker, in compliance with the request of the hon. member for Waterloo South (Mr. Homuth) I lay on the table copy of an order in council setting up the Canadian Wool Board Limited, and the copy of a press release of the wartime prices and trade board in reference to the Canadian wool board.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

HALEY STATION, ONT., MAGNESIUM PLANT

Mr. WRIGHT:

1. What is the total estimated cost to the government of erecting and equipping the magnesium plant located near Haley station, Ontario?
2. In whose name are the patents on the extraction process to be used there registered?
3. Is the plant government owned?
4. Will it be operated by government direction as a government project?
5. If not, what company or companies are to operate same and on what basis?

Mr. HOWE:

1. The total estimated cost to the government of erecting and equipping the magnesium plant, known as Wartime Metals Corporation, located near Haley's Corners, Ontario, is $2,675,000 for a plant to produce 10 tons of magnesium per day, and if this is increased to 20 tons output per day a preliminary estimate indicates a total cost of approximately $6,000,000.

2. The applications for patents were made in the name of the inventor, Dr. L. M. Pidgeon, according to the rules of the national research council, and in due course will be assigned to Dominion Magnesium Limited.

3. The plant will be government owned.

4. The government is entering into an agreement with Dominion Magnesium Limited, whereby the plant of Wartime Metals Corpora-

tion will be managed and operated by Dominion Magnesium Limited for and on behalf of his majesty until the cessation of hostilities, without fee or profit, and after the cessation of hostilities if so required by his majesty, upon mutually satisfactory terms then to be agreed upon.

5. Answered by 4.

*CUSTODIAN OF ENEMY PROPERTY

Mr. HANSON (York-Sunbury):

1. What is the total value of the property of all kinds in the control of the custodian of enemy property?

2. What is the value of the property of all kinds of which title or possession has been taken by the custodian from nationals of each of the enemy or enemy-occupied countries?

3. What is the value of the property of all kinds held by the custodian in respect to interned persons?

4. Is there an advisory committee to the custodian of enemy property?

5. If so, what are the names of the members of such committee; when were they appointed, and by whom were they appointed?

6. What salary, allowance, fee or other emolument, including travelling expenses, is paid to each member of the advisory committee; and what is the total amount paid to each member since his appointment?

Mr. HANSON (York-Sunbury): I have had some communication with the Secretary of State (Mr. McLarty) with regard to this question, and I would suggest that questions 1 and 2 be deleted, with the privilege of returning to them at a later date, if it should seem desirable to do so. Perhaps questions 3, 4, 5 and 6, which are rather innocuous, might be answered.

Mr. McLARTY: That is agreeable.

Mr. SPEAKER: Nos. 1 and 2 are dropped; Nos. 3, 4, 5 and 6 stand.

Mr. POWER: Pass the others as being innocuous.

Mr. HANSON (York-Sunbury): They are; I know the answers now to all but No. 3.

ROYAL CANADIAN MOUNTED POLICE

Mr. DIEFENBAKER:

1. How many men have been taken on the strength of the Royal Canadian Mounted Police since the outbreak of war?

2. By provinces give particulars of (a) numbers enlisting, (b) numbers of those between 20 and 24 years of age inclusive?

Mr. ST. LAURENT:

1. 1,505, made up as follows:

Recruits	1,256
Reengaged ex-members	249
Total	1,505

In addition to the foregoing, 4,199 ex-service men have been engaged as special constable guards for the protection of vulnerable points and various public utilities across the dominion since the outbreak of war, but during the same period 2,740 of these have been discharged.

There were also 85 men engaged as ordinary special constables for duty as dog-drivers, artisans, cooks, etc., but during the same period, 98 of that class of employee were discharged.

2.

	(a) Numbers enlisting by Provinces	(b) Number between ages of 20-24 inclusive
P.E.I.	8	4
Nova Scotia	69	45
New Brunswick	28	19
Quebec	157	107
Ontario	431	240
Mantoba	184	112
Saskatchewan	276	179
Alberta	256	148
British Columbia	96	42
Totals	1,505	896

PLEBISCITE—RAYMOND RANGER

Mr. LACOMBE:

1. Does Mr. Raymond Ranger, registrar for division No. 4, Montreal, hold the position of returning officer for the county of Jacques Cartier in connection with the taking of the coming plebiscite?

2. If so, why does he hold both positions?

Mr. McLARTY:

1. Mr. Raymond Ranger is holding the position of returning officer for the electoral district of Jacques Cartier under section eight of the Dominion Elections Act, 1938, but has been granted leave of absence as returning officer and will not act as such at the pending plebiscite.

2. Answered in No. 1.

*YUKON AIRPORTS

Mr. BLACK (Yukon):

1. What amount of public funds has been expended to date by Canada in building and improving each airport at Edmonton, Grande Prairie, Dawson Creek, Fort St. John, Fort Nelson, Watson Lake, Whitehorse?

2. Are any of said airports completed, if so, which of them?

Mr. POWER: With reference to question No. 27, I suggest it would not be in the public interest to give this information. These aerodromes form part of the air defence of Canada, and, indeed, of the American con-

tinent, and to give this information would permit the enemy to make an intelligent guess, to say the least, as to the size of the airports, the extent of accommodation for aircraft and their tactical use in connection with defence. I would be willing to send my hon. friend any information privately.

Mr. SPEAKER: Answered.

Mr. BLACK (Yukon): With all due respect to the minister, I do not think the reason he has given for not answering the question is well founded, but if it will embarrass him I withdraw the question.

Mr. POWER: It would not embarrass the minister, but it might embarrass the defence of Canada. I will give all the information that is desired if the house insists on it, but I doubt if it will.

JAPANESE MINISTER AND CONSULAR OFFICIALS IN CANADA

Mr. REID:

What steps have been taken by the government regarding the return to Japan of the Japanese minister in Canada, and likewise the return of all Japanese consuls and officials resident in Canada?

Mr. MACKENZIE KING:

The question of return to Japan of the Japanese diplomatic and consular officials resident in Canada is a counterpart of the question of return to Canada of the Canadian diplomatic and other officials resident in Japan and Japanese occupied territory in the far east. Their repatriation is also bound up with a general plan of exchange of United Kingdom and United States officials and officials of other allied countries. The consideration and discussion of conditions of exchange, under this general plan, by the allied governments concerned has been the subject matter of much correspondence between themselves and, through the representatives of their respective protecting powers, with Japan. Much progress has been made with a view to reaching a satisfactory agreement and to completing the necessary arrangements. The Canadian government has kept closely in touch with the situation, through consultation with the United Kingdom and the United States governments and through the government of Argentina, our protecting power in Japan and in conversations with the consul general of Spain in charge of Japanese interests in Canada. It may be added that, concurrently, consideration is also being given to the exchange of nationals who have no official status.

QUESTIONS PASSED AS ORDERS FOR RETURNS

SASKATCHEWAN AIR TRAINING FIELDS—USED CRANK CASE OIL

Mr. DOUGLAS (Weyburn):

1. What price was received for the used crank case oil from the Saskatchewan air training fields during the calendar year 1941?
2. How many gallons were sold and at what price per gallon?
3. Who purchased this oil?
4. Has any attempt been made to salvage used crank case oil?
5. If so, what would be the approximate cost per gallon?

R.C.A.F.—OFFICERS

Mr. WINKLER:

1. How many officers of the permanent force of the Royal Canadian Air Force are now serving in Canada, and how many overseas?
2. What are their names, what rank was held, what pay and allowance was received by each one of those in pre-war service on September 1, 1939?
3. What rank, total pay and allowances, including staff pay, flying pay and special allowances on account of dependents, are now being received?
4. How many of these permanent officers are employed at headquarters staff, Ottawa, and headquarters staff of various commands?

BAGOTVILLE, QUE., AIRPORT

Mr. LACOMBE:

1. Did Mr. François Leduc render professional services to the Department of Munitions and Supply in connection with the airport at Bagotville, Quebec?
2. If so, upon what date and what has he been paid for such services?
3. Did Mr. Leduc render professional services to the Department of Munitions and Supply during the years 1939, 1940, 1941 and 1942?
4. If so, when, for what purpose and how much was paid him in each instance?
5. What is the total amount paid to date to Mr. Leduc by the government for professional services?

DOCTOR T. H. HOGG

Mr. HAZEN:

1. Was Doctor T. H. Hogg, chairman of the Hydro Electric Power Commission of Ontario, retained by the Mines and Resources department, or any other dominion authority, in connection with the construction of power plants by the Calgary Power Company on the Bow river, Alberta, during the period 1928-31 or at any other time?
2. What was the total amount paid to Doctor Hogg for professional services and expenses in connection with the power development of the Calgary Power Company on the Bow river?
3. Were fees paid by the department to Doctor Hogg reimbursed to the dominion government by the Calgary Power Company or any other private person, firm or corporation?

4. What was Doctor Hogg's title and position with the Hydro Electric Power Commission of Ontario in 1928-31?

5. During the last ten years had Doctor Hogg been in receipt of any payments by any departments of the dominion government for professional services and expenses in connection with the St. Lawrence waterway project?

6. What is the total amount paid Doctor Hogg to January 1, 1942, in connection with the St. Lawrence waterway?

CIVIL SERVICE—CLERKS, GRADES 1 TO 3

Mr. SHAW:

1. How many clerks have been engaged by the civil service commission since January 1, 1941, (a) grade 1, (b) grade 2, (c) grade 3?

2. How many of those so engaged have resigned since January 1, 1941?

3. How many grade 1 clerks engaged since January 1, 1941, have been promoted to grade 2 standing, and how many from grade 2 to grade 3?

4. How many clerks engaged since January 1, 1941, have been reduced from grade 2 or grade 3 to a lower standing?

5. Have statutory increases in salary been granted to all clerks who have performed at least one year of satisfactory service?

6. If not, how many have been granted such increase?

PRAIRIE FARM ASSISTANCE—COST OF ADMINISTRATION

Mr. PERLEY:

What has been the total cost to March 1, 1942, of the administration in the province of Saskatchewan of, (a) the Prairie Farm Rehabilitation Act, (b) the wheat acreage reduction bonus, (c) prairie farm income bonus, (d) Prairie Farm Assistance Act?

PUBLIC DEBT

Mr. REID:

1. What was the total debt of the dominion government at the end of each of the years, 1939, 1940, 1941?

2. What amounts of money have been raised by the Canadian government since September, 1939, and up to the end of the 1942 victory loan drive, by way of, (a) bonds, (b) war savings certificates?

3. What was the total debt of the provinces and municipalities at the end of each of the above years?

AIRPORTS IN CANADA, NEWFOUNDLAND, LABRADOR AND GREENLAND

Mr. BLACK (Cumberland):

1. How many airports in Canada, Newfoundland, Labrador and Greenland were constructed by or received assistance from the government?

2. Where are they located?

3. What has been the cost of, (a) the land, (b) the grading, (c) the drainage, (d) water supply, (e) roads leading to the airports, (f) paving runways, (g) erecting buildings, (h) equipping and fitting each airport?

[Mr. Hazen.]

4. What has been the total cost of each airport?

5. Have any other governments made contributions to such airports?

6. If so, what amount for each airport?

Mr. POWER: There are three types of aerodromes, every one of which has been constructed by or has received assistance from the government. The first type, which I have mentioned and which forms part of the defensive system of Canada, is such that I do not believe it would be in the public interest to give information in connection therewith. Second, there are aerodromes for the use of the Royal Air Force transferred schools. I have had specific requests from the British government not to give information with respect to these. Third, there is the type of aerodrome constructed under the joint air training plan. I have been warned also not to give information about these, but since I have given so much about them I am quite willing to meet my hon. friend's request with regard to the general air training aerodromes only.

Mr. BLACK (Cumberland): That will be satisfactory. I do not wish the minister to disclose information not in the public interest.

Mr. POWER: Order for return.

HALIFAX MILITARY CONTRACTS—LEO J. MCISAAC

Mr. BLACK (Cumberland):

1. Has Leo J. McIsaac a contract at Halifax, with the government, to supply men and trucks for work on or around government property, such as the Wellington barracks, military hospital, south barracks, M.D. No. 6 headquarters, customs and federal buildings, or on defence projects, since September, 1939?

2. If so, what is the nature of the contract?

3. What are the rates of pay under the contract?

4. Does McIsaac receive a salary for supervising the work? If so, how much has he been paid?

5. If he is not on salary, how much has he been paid?

6. What check is made of the work done under this contract?

MOTIONS FOR PAPERS

VALCARTIER CAMP

Mr. McGREGOR:

For a copy of all letters, telegrams, reports, memoranda or other documents in the possession of the government relating to various charges of theft, conspiracy to defraud and similar offences in respect of supplies for Valcartier camp, from 9th day of September, 1939, to date.

Mr. RALSTON: I spoke of this the other day, and since then I wrote to my hon. friend telling him that I had from the judge

advocate general a statement to the effect that he considered it would not be in the public interest to bring down these papers at this time. The production of these papers would disclose information which should not be disclosed in view of the fact that an investigation is being conducted by the Royal Canadian Mounted Police. Therefore I ask my hon. friend to drop the resolution.

Mr. HANSON (York-Sunbury): I think it might be withdrawn.

Motion dropped.

BRADING'S BREWERIES PROPERTY, OTTAWA

Mr. DIEFENBAKER:

For a copy of all orders in council, treasury board minutes, letters, telegrams, memoranda of conversations, and all other memoranda, reports or documents, dated since the 1st day of January, 1936, relating to the acquisition by the government of the property of Brading's Breweries Limited, on Wellington street, in the city of Ottawa.

DALY BUILDING, OTTAWA—HEATING EQUIPMENT

Mr. ESLING:

For a return showing, (1) the date on which the oil-burning equipment for the heating of the Daly building was installed; (2) the cost of this oil-burning equipment; (3) the consumption of oil in this plant from October 1, 1940, to December 31, 1941; (4) the nearest government steam-heating plant to the Daly building.

WAR RISK INSURANCE

INQUIRY AS TO INTRODUCTION OF MEASURE RESPECTING PROPERTY DAMAGE

On the orders of the day:

Mr. D. G. ROSS (St. Paul's): I should like to direct a question to the Minister of Finance. When may we expect some information in connection with property damage war risk insurance?

Hon. J. L. ILSLEY (Minister of Finance): I expect to introduce a bill before the Easter recess.

WAR EXPENDITURES COMMITTEE

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): I should like to ask the Prime Minister when it is proposed to set up the war expenditures committee.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I might say to my hon. friend that a day or two ago I was conferring with the leader of the opposition (Mr. Hanson) with respect to this matter. There has been some delay in receiving from the opposite side the names of those who are to be members of this committee, and we were to have a conference concerning the matter before I made a final announcement. I am prepared to have the conference any time that will suit the convenience of my hon. friend. The committee will be set up very shortly.

LABOUR CONDITIONS

UNEMPLOYMENT AT KIRKLAND LAKE

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): Before the orders of the day are proceeded with I should like to address a question to the acting Minister of Labour, if there is one in the house. I endeavoured to secure this information from the Department of Labour before deciding to ask the question here, but I was not successful. My question arises out of a telegram received from union officials in Kirkland Lake, copies of which were sent to the Prime Minister and the Minister of Labour.

Mr. SPEAKER: While I do not know the question the hon. member intends to ask, the form he has used in presenting it suggests to me that it should be placed upon the order paper.

Mr. GILLIS: My question is—

Some hon. MEMBERS: Order.

Mr. HANSON (York-Sunbury)-: The hon. member might be allowed to state his question.

Mr. SPEAKER: I would be glad to hear the question before deciding.

Mr. GILLIS: The telegram sets out that a thousand men are idle as the result of the dispute in Kirkland Lake. Up until last Friday, the 13th, the unions were carrying them on relief, but they had to terminate this relief last week, not being able to carry on.

Mr. SPEAKER: I think the form of the question is such that it should be placed upon the order paper.

Mr. GILLIS: In my opinion this matter is urgent. I endeavoured to get the information in another way, but could not.

Some hon. MEMBERS: Order.

Mr. GILLIS: Have the government any plans?

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order. I have ruled already that the question should be placed upon the order paper. From what the hon. member has just said it is apparent that this question has been under discussion for several

days at least; therefore the question of urgency cannot apply. The hon. member should place it upon the order paper.

Mr. GILLIS: These people will starve in the meantime.

UNEMPLOYED EX-SERVICEMEN AT KIRKLAND LAKE

On the orders of the day:

Mrs. DORISE W. NIELSEN (North Battleford): Mr. Speaker, I should like to address a question to the Minister of Pensions and National Health. Is he aware of the fact that there are roughly thirty-nine ex-service men, some of them with two boys in the army at the present time, who have worked in the mines for as long as from one to eighteen years and who are now being denied employment at Kirkland Lake? If so, does he intend to do anything to help them?

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health): Mr. Speaker, I am not aware of the matter referred to by my hon. friend. I received no notice of the question she intended to ask this afternoon.

INQUIRY OF THE MINISTRY

PROCEDURE WITH RESPECT TO QUESTIONS ON THE ORDERS OF THE DAY

On the orders of the day:

Mr. W. J. WARD (Dauphin): Mr. Speaker, before the orders of the day are called, I wish to bring before the house a matter referring not particularly to the government but to the house at large. I have in my hand a resolution received from—

Some hon. MEMBERS: Order.

Mr. SPEAKER: I would say that it would hardly be proper to place a resolution before the house on the orders of the day.

Mr. WARD: This is something which could not be placed on the order paper; the question is not in that form.

Mr. SPEAKER: If it cannot be placed on the order paper, I cannot see how the question can be asked on the orders of the day.

Mr. MACKENZIE (Vancouver): I understand that the hon. member is raising a question affecting the privileges of this house; is that correct?

Mr. WARD: Mr. Speaker—

Some hon. MEMBERS: Order.

[Mr. Speaker.]

Mr. SPEAKER: If the hon. member will say on his responsibility that this is a matter affecting the privileges of the house, then of course he may proceed.

Mr. WARD: I cannot say that it is, Mr. Speaker.

Mr. HANSON (York-Sunbury): The argument of the Minister of Pensions was wasted on the desert air.

VEGETABLE PRODUCTS

EXTENSION TO MONTREAL OF PROVISIONS RESPECTING DEHYDRATION

On the orders of the day:

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, I hold in my hand two orders in council, P.C.9228, of December 6, and P.C. 1/1656, of March 3, by virtue of which an expenditure of over $380,000 is provided for in respect of dehydrated vegetable products.

Mr. SPEAKER: Is this a question of privilege the hon. member is raising?

Mr. POULIOT: No, sir, it is just a question. I talked to Your Honour about it. Since it is provided by these orders in council that one plant in British Columbia, two in Ontario and two in the maritime provinces will benefit by their provisions, I would ask the Minister of Agriculture if it is not the intention of the government to extend the same advantages to the city of Montreal, where is located the largest refrigeration plant in Canada.

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

WAR APPROPRIATION

UNITED KINGDOM FINANCING—WAR SUPPLIES, FOOD AND LOAN WITHOUT INTEREST

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

Resolved, that it is expedient to introduce a measure to provide:—

1. That sums not exceeding one thousand million dollars ($1,000,000,000) be granted to his majesty towards defraying the expenditures that may be incurred during the present war for the purpose of enabling the government of the United Kingdom to purchase in Canada aircraft, tanks, mechanical transport vehicles, guns, ammunition and other munitions of war, foodstuffs, raw materials and any other commodities and supplies essential to the conduct of the war and the maintenance of the people of the United Kingdom, and to assist in

enabling the government of the United Kingdom to defray other expenditures incurred in Canada for war purposes.

2. That the Minister of Finance may be empowered to accept from the government of the United Kingdom an obligation of the said government in such form and subject to such terms and conditions as the governor in council may determine for a sum of seven hundred million dollars ($700,000,000) in exchange for an equivalent amount, at an exchange rate of $4.45 to the pound sterling, of deposits in pounds sterling held in banks in the United Kingdom, the said obligation of the government of the United Kingdom not to bear interest until the termination of the war.

3. That the governor in council be empowered to make provision for the purchase of any or all unmatured securities or obligations of or guaranteed, either as to principal or interest or both or as to dividends, by the Dominion of Canada or of or guaranteed either as to principal or interest or both by the Canadian National Railways, which are now or may hereafter be held by the government of the United Kingdom.

4. That the governor in council be empowered to raise by way of loan under the provisions of the Consolidated Revenue and Audit Act, 1931, such sum or sums of money not exceeding in the whole the sum of one thousand million dollars ($1,000,000,000) as may be required for the purpose of defraying the expenditures and making the purchases referred to herein, the principal and interest of any such loan to be a charge upon and payable out of the consolidated revenue fund.

He said: Mr. Speaker, I propose to make a statement to the house on this resolution while Your Honour is in the chair. It was my intention to read the resolution, but it will shorten the time I have in which to make my remarks if I simply refer members of the house to it.

The purpose of the resolution is to secure authority to introduce a bill to implement the proposal for a revision of our financial relations with Britain which was outlined by the Prime Minister (Mr. Mackenzie King) in his address on the speech from the throne on January 26.

Before explaining the major provisions of the resolution and of the bill which will follow, I think it would be desirable for me to give a brief historical review of our financial relationships with the United Kingdom and the rest of the sterling area since the outbreak of war. By doing so, it will be possible for me not only to explain the methods which have been followed from time to time but also to give to the house the necessary statistical information to show the magnitude of the problem which has had to be met and the extent to which different forms of assistance have been relied upon.

As the house is aware, the British requirements of Canadian dollars to make payment for their large purchases of munitions and war implements, foodstuffs, minerals and other products have greatly exceeded the amount of Canadian dollars they have realized through their exports to Canada, through their receipts of interest and dividends and through other ordinary commercial transactions between the two countries. Even before the war, the British balance of payments with Canada resulted in a deficit of Canadian dollars. In 1939, for example—and the figures for that year were not materially different from those for 1938—our exports to the United Kingdom amounted to $331 million, while our imports were only $113 million, leaving a British merchandise deficit with Canada of $218 million. The rest of the empire, too, exported to us less than they purchased from us; in 1939 our exports were $104 million and our imports $75 million. The empire as a whole, therefore, had a net merchandise deficit of $247 million with Canada in 1939.

The extent to which our industry and our agriculture have contributed toward furnishing our British allies with the sinews of war, in the form of foodstuffs and primary products as well as war implements of all types, is strikingly illustrated in the remarkable rise in our exports in 1940 and 1941. To the United Kingdom alone our shipments increased from $331 million in 1939 to $532 million in 1940 and $702 million in 1941. To the rest of the British empire, including Egypt, our shipments rose from $104 million in 1939 to $157 million in 1940 and $300 million in 1941. I mention Egypt especially because it is now no secret that the mechanized equipment used in the Libya campaigns was to a very considerable extent produced by Canadian workmen in Canadian factories.

Our imports from the empire have been well sustained and the policy of the government has been to encourage them. But notwithstanding some increase in our imports, the empire as a whole had an aggregate merchandise deficit with Canada of $445 million in 1940 and $723 million in 1941.

Nor does this empire deficit of nearly $1,200 million on trade account in the past two years tell the whole story. In addition, large sums have been required for expenditures not reflected in the trade statistics. The most important of these have been the British capital investments in war plants in Canada, amounting at the end of 1941 to $238 million, and British expenditures in connection with

air training activities in Canada. In addition, of course, there have been other expenses, such as for freight and storage, connected with the movement of goods within Canada.

Without going into exhaustive details, I may inform the house that after making allowance for all the sterling area's receipts of Canadian dollars of a current or ordinary nature—such as the proceeds of exports, interest and dividend receipts, shipping receipts and Canadian governmental expenditures in sterling incurred in connection with the maintenance of our troops in the United Kingdom—the sterling area's net deficit of Canadian dollars from the outbreak of war until the end of February, 1942, amounted to approximately $1,770 million.

This deficit has been financed in three ways. In increasing order of importance they are: gold payments from the United Kingdom to Canada; redemption or purchase, mainly in advance of maturity, of Canadian security obligations held in the United Kingdom; and the accumulation of sterling balances held by the foreign exchange control board on deposit in London.

Gold payments by the United Kingdom have amounted to $250,000,000 over this whole period. As the house is aware, the last payment was received in December, 1940, and since that time the whole of the sterling area deficit has been financed by Canada out of its own resources. Over the period as a whole gold payments have covered less than 15 per cent of the sterling area deficit in Canada.

Not only have gold payments by the United Kingdom been kept to relatively modest proportions, but every ounce of gold we obtained from the United Kingdom was promptly converted into United States funds and used to pay for United States goods needed to complete war orders for the United Kingdom. We cannot make the tanks, the anti-aircraft guns, the mechanized equipment of all sorts which we have supplied to our British allies, entirely out of our own domestic resources. We must purchase in the United States steel, machinery and machine tools, and coal and oil to drive the huge industrial plant which we have created and are still creating. For those things we must pay United States dollars. Exact statistics are not available, but there can be no doubt whatever that the amounts we have paid out in United States exchange in connection with British war orders in Canada are very greatly in excess of the amount of hard currency settlement received from the United Kingdom.

Our war production has, in fact, involved us in very heavy expenditures of American dollars in the United States. Until December, 1940, the United Kingdom shared with us the burden of providing the necessary hard currency. Since then we have taken the whole burden on our own shoulders. The burden has not been a light one, in spite of the measures agreed upon at Hyde Park last April between the Prime Minister and President Roosevelt, which were calculated in part to alleviate our United States exchange difficulties.

I warned the house in introducing the budget last April that the need for United States exchange conservation had not passed; and lest anyone should think that the Hyde Park agreement has solved our United States dollar exchange problem, I should like to say that our official reserves of gold and United States dollars fell by $142,000,000, United States dollars, in 1941. Moreover, although the outlook is far from clear, it must be recognized that, failing remedial action, we appear to be faced with another sizable loss of reserves this year. Our United States dollar position is, therefore, still a major cause of concern. I stress this point because our United States dollar problem and our need of foreign exchange control are in part a direct consequence of our assistance to Great Britain, and it seems to me that at this time, when we are proposing to open a new chapter in our financial relations, the record regarding the past should be made quite clear.

Mr. HANSON (York-Sunbury): The minister referred to the export of gold and the repatriation of unmatured Canadian securities. Did he mean all classes of unmatured Canadian securities, or only government or government-guaranteed? I do not think he was specific.

Mr. ILSLEY: I shall make that very clear just a little later on.

Mr. HANSON (York-Sunbury): I am sorry.

Mr. ILSLEY: I shall state exactly what has been brought back.

Reverting now to the method by which the sterling area's deficit of Canadian dollars was financed up to the end of February, 1942, I come to the second method, namely, redemption or purchase, mainly in advance of maturity, of Canadian debts owing in the United Kingdom. This falls into two parts, official governmental repatriation, and private repatriation. The former is by far of greater importance, amounting as it does to over $400,000,000, while the private repatriation of capital amounts to nearly $125,000,000.

Mr. HANSON (York-Sunbury): That is, so far, liquidated. But that does not begin to cover the whole field over there, does it?

Mr. ILSLEY: Those are the ones that have been brought back.

Mr. HANSON (York-Sunbury): Well, liquidated. That is what I mean—brought back or repatriated.

Mr. ILSLEY: There have been four separate repatriations by the government of its own direct or guaranteed securities to date, apart from the new proposed repatriation of about $295,000,000 to which I shall refer later. The first of these, the 3½ per cent dominion government loan of 1930/50, was announced in October, 1939, and was to an amount of over $90,000,000; the 4 per cent dominion government loan of 1940/60, the repatriation of which was announced in June, 1940, yielded $75,000,000; the third repatriation, that of the government-guaranteed Grand Trunk railway 4 per cent perpetual consolidated debenture stock, announced in October, 1940, yielded $105,000,000; and the fourth, the repatriation of the 4 per cent dominion government loan of 1953/58, the 3¼ per cent dominion government loan of 1958/63, announced in August, 1941, had to the end of February, 1942, yielded $130,000,000.

Through these transactions, the government has used up a fair proportion of the sterling accumulated by the foreign exchange control board in London.

Mr. HANSON (York-Sunbury): What is the total of these figures?

Mr. ILSLEY: That is $400,000,000 for the repatriation of government and railway securities. As I have explained to the house on a previous occasion, the principal way in which the British requirements of Canadian dollars have been met since December, 1940, has been through the foreign exchange control board buying sterling from the British exchange control authorities for Canadian dollars. By thus purchasing the sterling, Canadian dollars are made available to the British government for its purchases and other expenditures in Canada. The sterling purchased by us has been held on deposit in British banks to the credit of our foreign exchange control board, which of course acts as the agent of the government in these matters. These are the sterling balances to which I have made frequent references in the past, and the whole process has been popularly called the accumulation of sterling balances.

The amount of sterling held by the foreign exchange control board on deposit in London has, of course, been reduced through the sale of sterling from time to time to the dominion government to purchase from the United Kingdom treasury the repatriated securities. After allowing for these and all other sales of sterling, including substantial sums used by the dominion government in maintaining our forces overseas, Canada's net accumulation of sterling balances from the outbreak of war to the end of February, 1942, has amounted to $992,000,000.

To summarize this part of my statement, the sterling area's deficit of Canadian dollars up to the end of February 1942 amounted to approximately $1,770,000,000, of which $250,000,000 was financed by the United Kingdom; nearly $125,000,000 was privately financed by discharge of private Canadian debts to the United Kingdom, including certain sales in the Canadian market of securities vested by the British treasury, and $1,400,000,000 directly financed by the dominion government—about $400,000,000 through repatriation of securities and nearly $1,000,000,000 through the accumulation of sterling balances in London.

Mr. COLDWELL: Could the minister give us any idea of what the total British investment in Canada, of all kinds, was and is at the present time?

Mr. ILSLEY: I have not the accurate figures, but there are Canadian dollar securities still owned in the United Kingdom having an approximate value of $700 million. Also there are certain sterling securities on or in Canadian property and enterprises which may have a value of something like $300 million. That is all as far as we know that is left.

Mr. COLDWELL: About a billion dollars.

Mr. ILSLEY: Yes, and a distinction must be drawn between sterling securities and dollar securities; the difference is substantial from our point of view. The value of the dollar securities held by residents of the United Kingdom on properties or in enterprises in Canada is approximately $700 million, the amount of the dollar obligations being provided for by this bill.

In order to assist the house in studying the development of the sterling area's deficit of Canadian dollars and the varying methods by which it has been financed, I am placing on *Hansard* a table summarizing the most relevant data available. The information is shown for three separate periods: (1) September 15, 1939, to March 31, 1940; (2) the fiscal year 1940-41; and (3) the fiscal year 1941-42. The figures for the current financial year involve an estimate for the month of March and are therefore tentative:

STERLING AREA'S CASH DEFICIENCY OF CANADIAN DOLLARS

(in millions of dollars)

—	Sept. 15, 1939, to Mar. 31, 1940	Fiscal Year 1940-41	Fiscal Year 1941-42 (Estimate)	Sept. 15, 1939, to Mar. 31, 1942 (Estimate)
	$	$	$	$
1—Net cash deficiency	127	668	1,075	1,870
of which—				
2—Total financed by United Kingdom through sale of gold to Canada	12	238	0	250
3—Total financed by Canada	115	430	1,075	1,620
(a) by governmental financing:—				
(i) accumulation of Sterling	16	189	1,029	1,494
(ii) official repatriation of securities	88	172		
(b) by private repatriation of securities, gifts, etc	11	69	46	126

The most striking feature of this table is, of course, the enormous magnitude of the recent Canadian dollar requirements of the sterling area. Its net cash deficiency, which amounted to $127 million from September, 1939, to the close of that fiscal year, rose to $668 million in the next fiscal year and it is estimated that it will approximate $1,075 million in the fiscal year now drawing to a close. Since December, 1940, the whole deficiency has been financed by Canada and practically the entire financing task has naturally fallen on the dominion government. We now estimate, it will be noted, that during the current fiscal year our own cash requirements for financing British war expenditures in Canada will be approximately of $1,029 million.

It is obvious that Britain's (and the sterling area's) purchases of foodstuffs, raw materials, munitions and war supplies in Canada must continue, and probably increase. Canada has, indeed become an arsenal of democracy—after the United States and Britain the most important arsenal of democracy. The production of war supplies, including foodstuffs and war materials, and their supply to our allies, constitute one of the most important contributions which Canada can make to the winning of the war—to our own defence and security as well as to that of our allies. It would be unthinkable that any shortage of Canadian dollars should make it impossible, let us say, for Britain to secure from Canada the munitions and supplies necessary to equip and maintain her armed forces fighting on the front line, and the foodstuffs necessary to feed her gallant people. It was with this conviction that the Canadian government long ago advised the British Prime Minister that the United Kingdom could continue to buy in Canada all essential supplies that could be procured and transported without any fear of her shortage of dollars—that somehow or another we would see that the Canadian dollars were made available. I believe that all Canadians approved the assurance thus given to the government of the United Kingdom. The enormous purchases and expenditures made in Canada by Britain and the rest of the sterling area have, of course, been an important factor in the expansion of production, employment and national income in this country.

The continuance of these purchases and expenditures, however, involves a continuance of the huge deficit of the sterling area in its balance of payments with Canada which must be financed (very largely at least, perhaps wholly) by Canada itself. We have realized for some time that the accumulation of sterling balances which, as I have explained, was the most important method of financing this deficit, was appropriate only as an interim or transitional form of financial assistance. It involved the growing up of what was nominally a demand liability by Britain to Canada, the future of which was bound to involve uncertainties, particularly as the amount grew far beyond anything which could be repaid by Britain in Canadian dollars except perhaps over a very long period of time. Moreover, the indefinite growth of this obligation, if permitted to continue for years, would have led to the existence after the war of what would be in effect a huge and unmanageable war debt owed by Britain to Canada.

I am sure that hon. members can recall the grave international problems and difficulties

which arose in the nineteen-twenties and nineteen-thirties from the huge international war debts which had grown up during and immediately following the last great war. Here it is necessary to emphasize the distinction between a domestic debt and an international debt. Domestic debts involve payments between one person and another in the same country and give rise to no problems of currency and exchange. International debts, on the other hand, can be settled only by the transfer of goods and services from the debtor country to the creditor country. Such transfers can be made, only if and to the extent that the creditor country is prepared to accept goods and services from the debtor country for not only principal repayments but also annual interest charges. In other words, the creditor country must be prepared to see an increase in its imports or a decrease in its exports, or both. Experience has shown that countries will accept these payments in the form of imports only to a limited extent on balance, if at all. To do so, of course, exposes their producers to more intense competition from abroad, and the excess of imports serves as a deflationary influence which appears to be unwelcome in normal peace times. On the other hand, the inability of debtor nations to make payment when the creditor nation will not readily accept imported goods and services in payment, is bound to lead to international misunderstandings and frictions. Consequently, there is a practical limit to the amount of international debt which can be satisfactorily carried and repaid, particularly when such debt arises from the economically wasteful processes of war. The experiences of the last twenty-five years are too well known for me to labour this point at greater length.

With these considerations in mind, and believing that it was the desire of the Canadian people to do their utmost to contribute to the success of the common cause, the government felt that Canada should not continue to accumulate these financial claims against Britain at the rapid rate at which these claims have accumulated in the past twelve months. We believed that the existing short-term and relatively informal interim obligations in the form of sterling balances, should be converted into a formal long-term loan, to the extent to which they could not immediately be used to redeem or purchase dominion government or Canadian National railway bonds owned by British investors. This would clarify the existing situation and remove any uncertainty as to the disposition of the large amounts of sterling balances which have been standing to Canada's credit in London. This, of course, would not result in any change in the balance of indebtedness between Canada and Britain, but would be merely a change in form, with some offsetting of one claim against another.

In order to prevent the further rapid accumulation of sterling balances, the government believed that the best course to follow was to make an outright gift to Britain of the foodstuffs, raw materials, planes, tanks, guns and other war supplies which we would send to her, up to the value of $1,000 million. Of course, we shall continue to receive some goods and services from Britain which will automatically make available to her a certain supply of Canadian dollars or otherwise reduce her deficit with us. In other words, she will have receipts arising out of her ordinary exports to Canada, the shipping and insurance services she renders, interest and dividends on certain Canadian securities which will still be held by British investors, and the expenditures which we shall be required to make on our own armed forces in Britain.

Thus funds received in the normal way will meet part of the cost of British purchases and expenditures in Canada, and the $1,000 million dollar gift will be used in meeting the remainder of Britain's bills here; that is, in meeting what I have referred to earlier as the Canadian dollar deficit of the sterling area. This deficit of course arises almost entirely from Britain's requirements for foodstuffs, raw materials, munitions and other war supplies purchased here, so that the proposed gift will, in effect, take the form of these war supplies.

The explanation I have just given has been in very general terms. Perhaps I can make the matter clearer to the house if I now attempt to explain the more important provisions of the bill which this resolution seeks authority to introduce. In essence, the proposals are simple and straightforward; but because of the number and nature of the various transactions involved, and perhaps also because they deal in part with matters of exchange, which is a mystery to many persons, the details and perhaps the bill itself may appear complicated to many members of the house.

Let me state first that to-day the dominion is holding sterling balances to the value of approximately $1,070,000,000, at the current mid-rate of exchange, namely $4.45 to the pound sterling. By the time the bill has been enacted this amount will be somewhat larger, but it will, I think, conduce to clarity in our discussions if we take to-day's figures of our sterling holdings as the basis of our discussions. Sections 4 and 5 of the bill will provide in effect that approximately $1,000 million worth of these balances may be used for two

purposes: first, an amount equivalent to $700 million will be transferred back to the British government in exchange for a British government obligation to pay $700 million Canadian dollars; and, second, a further amount will be used to purchase Dominion of Canada or Canadian National railway securities formerly held by British investors, but recently vested by the British government. The first of these provisions, it will be noted, merely provides for the conversion of sterling balances into a Canadian dollar obligation of the British government. This obligation will be non-interest bearing until the termination of the war, and thereafter the two governments will agree as to the rate of interest and other terms that will be applicable from that time forward. It has also been proposed to the British government, and they have agreed, that the funds arising from any redemption or repayment during the war of Canadian securities owned in Britain will be applied to the reduction of the loan—

Mr. HANSON (York-Sunbury): That is, the $700,000,000?

Mr. ILSLEY: Yes—as well as the proceeds of any sales to persons outside the United Kingdom of Canadian dollar securities now owned by residents of the United Kingdom. This will automatically result in a reduction of Britain's debt to Canada, at the same time that Canadian debts to Britain are reduced by the types of transaction I have mentioned.

The second provision involves simply another case of what I have called an official repatriation operation. This time we shall repatriate all the remaining dominion government and Canadian National railway securities still held in Britain, which are estimated to have a value of approximately $295 million. In this connection I may point out that these securities have been vested at the current market prices prevailing just before the public announcement of the proposals, namely on January 26 of this year.

It will be noted that these two provisions will use up nearly all the sterling balances standing to our credit at the time the bill will become law. I shall refer a little later to what we intend to do with the remaining amount of the sterling balances standing to our credit.

So much for the refinancing of past transactions which is to be accomplished by sections 4 and 5 of the bill. The main provision, of course, relates to the future, and is found in section 3 of the bill, which simply empowers the Minister of Finance, subject to regulations to be made by the governor in council, to pay to the British government out of the consolidated revenue fund sums of money up to an aggregate of $1,000 million to enable the British government to purchase in Canada foodstuffs, raw materials, munitions and other war supplies, and to defray other expenses incurred in Canada arising out of the war. Under the regulations to be approved, the Minister of Finance may make payments or advances from time to time upon his being satisfied that the amount thereof is necessary to make the said purchases and defray the said expenditures.

I can now say that it is our purpose, and the bill will so provide, that any sterling balances which are not required for the current operations of the foreign exchange control board after the provisions of sections 4 and 5 of the bill already referred to have been carried out, will be transferred to Britain and the dollar equivalent thereof will be charged to this appropriation of $1,000 million. In this way all the sterling balances except those necessary for the current working purposes of the foreign exchange control board will be used up, and the gift will, in effect, begin sometime early this month, earlier than to-day. Until the exact amount of the securities to be repatriated has been determined it will be impossible to say what will be the amount of this excess sterling which will be handled in this way, but if our estimate of $295 million, representing the value of the securities to be repatriated, is correct, it will probably be of the order of $70 or $80 million.

The figure of a $1,000 million, representing the maximum amount of the gift to be provided for, was selected as being roughly the amount that would be necessary to meet the requirements of about a year's operations, on the basis of recent experience. If $70 or $80 million, as I have just estimated, is to be expended from the appropriation during the present fiscal year, the amount available for the new fiscal year will, of course, be $920 or $930 million. This should provide sufficient funds to take care of Britain's dollar deficit until sometime early in 1943. The house will, I am sure, appreciate the difficulty of making a more precise estimate at this time. When the various sections of the bill are under consideration in committee of the whole, I shall be able to explain the various transactions which will be necessary with the foreign exchange control board to convert sterling balances into a Canadian dollar obligation of the British government, and to repatriate the dominion and Canadian National railway securities, but I believe that any attempt to explain these matters now might be needlessly confusing. I need only add that the bill will

include the usual provisions found in any Canadian National railway financing and guarantee act enabling the government to make temporary loans to the Canadian National Railway Company in order to enable it to purchase its own securities, and that the concluding section of the bill will authorize the borrowing of moneys for the purposes of the bill up to an amount not exceeding $1,000 million.

When the repatriation operation has been completed and Britain has given its $700 million obligation to Canada in exchange for an equivalent amount of sterling balances, the balance of international indebtedness between Britain and Canada will remain on a reasonable and manageable basis. Britain will no longer hold any direct obligations of the Dominion of Canada or any securities of the Canadian National railway system, but she will continue to hold a considerable range of other Canadian securities and assets which will give her a continuing interest in Canadian prosperity. Included in these securities will be obligations expressed in Canadian dollars which I understand will amount in aggregate to roughly the same figure as the $700 million which Britain will owe to Canada in the form of the loan now proposed. That is the information I gave the hon. member for Rosetown-Biggar (Mr. Coldwell) a few moments ago. In addition, of course, Britain will hold a moderate amount of sterling obligations of Canadian debtors of various types other than dominion and the Canadian National Railways. The hon. gentleman asked me how much those were, or I undertook to tell him how much they were, and I said $300 million. I do not know, but we think it is in the neighbourhood of $300 million.

Mr. HANSON (York-Sunbury): I saw a newspaper report which mentioned $1,200 million, but I do not know whether that is true.

Mr. ILSLEY: Oh, it could not be, in Canadian sterling obligations.

I believe the house will agree that it is highly desirable that Britain should continue to have a financial interest in Canada and that Canada should continue to have a financial interest in Britain, rather than that we should attempt to cancel off all Canadian obligations to Britain against obligations to Canada. The mutual financial interest which will remain is bound to strengthen the other economic ties between the two countries which have been of such great value to each in the past and will continue to be of great value in the future. The fact that both countries will now be creditors in relation to one another as well as debtors reflects the developing economic maturity of Canada. Perhaps I should add that this developing maturity should carry with it a growing sense of responsibility—responsibility among other things to accept imports from abroad in substantial volume as a normal course of events.

The arrangements which are proposed in this resolution and which I have outlined, I hope in sufficient detail, will enable us to continue to implement the pledge we gave to Britain last year that she could continue to purchase what she needed in Canada for war purposes up to the limit of our capacity, and that we would see to it that the dollars she required for this purpose were made available. That pledge, and these new arrangements, are further instances of the way in which we are not allowing financial considerations to limit or interfere with our war effort either in regard to our own forces or in regard to the assistance we are giving to Britain. We are making finance adjust itself to the hard realities of the unlimited demands of war.

I should also mention that the arrangements proposed in this resolution do not alter the amount of money we must raise in Canada for war purposes. That is determined by the scope of our effort and not by the method of settling the accounts. Whether we lend the money to Britain, or give the goods to her, we must continue to find the funds to pay Canadian farmers, fishermen, lumbermen, miners and munitions workers who produce the goods. All that is really in question in this resolution, and the bill which will follow it is the means by which the accounts are to be settled—who is to be charged for them and what form the international balance sheet will take. Of course, these matters will be of importance in post-war times, and it is my belief that the plan now proposed is best calculated to satisfy our post-war needs and conditions.

I need not emphasize that the bill which this resolution precedes is one of first importance, and, indeed, one without real precedent. Its purpose is to enable Canada to make the fullest and most effective use of its material resources by feeding and equipping the people and armed forces of Britain in order that they may be able with us to win their fight and our fight against a ruthless and powerful foe who threatens to make this year, 1942, the most critical year in the history of civilization. The free and unconditional gift from the people of Canada to the people of Britain will express emphatically the will of the Canadian people to do everything in their power to help achieve victory and thus assure their survival and ours.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, the statement just made by the Minister of Finance (Mr. Ilsley) is one that is full of interest for all loyal Canadians who are anxious to see a total war effort by Canada. A little later in the course of the brief remarks I have to make I hope I shall be able to produce other convincing reasons for supporting the resolution aside from those of a more or less economic nature to which the minister has referred, although indeed in the latter part of his remarks he did give voice to sentiments similar to my own.

Before entering upon a brief discussion of the resolution I should like to be informed by the minister as to the important reasons to which he made reference last night for wanting this bill passed before the Easter vacation. I had hoped that in his statement to-day he might clarify the statement he made last night, as reported at page 1403 of *Hansard*. He said then that he dreaded the possibility of arriving at Friday of next week with the bill founded on this resolution not having gone through. I say that at a later stage he should tell us exactly his reason for saying that. He has also told us that he expects the resolution to be fully debated at this stage, and I hope that it will be.

If I understood the minister's statement last night, and his statement of to-day, the proposed bill does not relate exclusively to the next fiscal year; it will provide continuing statutory authority not related to that particular year, but which will run into the following year. And for the small portion at least relating to the balance of sterling accumulated over there it will relate perhaps to this fiscal year. But it does not seem to me that with the amount unascertained, and being relatively small, there can be any great reason for haste.

Mr. ILSLEY: It is $70,000,000 or $80,000,000.

Mr. HANSON (York-Sunbury): What is $70,000,000 or $80,000,000 between friends in this war, and the way this government has been spending? It is a mere bagatelle. In days gone by it would have amounted to something. In that connection may I say this—and I had intended to say it at a later stage—that there is much sound truth in what the hon. member for Témiscouata (Mr. Pouliot) said last night about the government's system of accounting to parliament and the people for these expenditures. When the minister's peace-time estimates are before the committee I hope hon. members will be free to express their opinion upon the methods adopted and the form in which the public accounts are now presented to the people. To my mind they are not satisfactory. I am not speaking about huge expenditures, but about the ordinary expenditures of the country. Even if it costs money, if we are to let the people have a little daylight on the details of expenditures now being made, I believe we will have to revert to some other method.

So that my first inquiry of the minister under this resolution is this: Why the need for haste? No reasons he gave last night, and so far as I can see no reason he gave to-day, constitute a justification for haste or for putting the bill through before the Easter vacation. It can of course relate back to transactions which may have occurred during this present month, but for the most part the expenditure of the billion dollars will relate to the future, not to the past.

The proposal contained in this resolution, the details of which are not before us and will not be until we see the bill, implement the pledge contained in the speech from the throne wherein it was indicated that parliament would be asked—

> —as an integral part of Canada's direct war effort, to approve a contribution to Britain of vast quantities of munitions, foodstuffs and supplies.

This was further elaborated upon in the speech of the Prime Minister in the debate on the address in reply.

The proposal as I understand it—the minister has made it quite clear to-day, and I congratulate him upon the clarity of his statement—covers much more than the allocation of a billion dollars for the purposes indicated. It encompasses not only that large appropriation of money, but also a second proposal which empowers the Minister of Finance to accept from the government of Great Britain $700,000,000 in terms of Canadian dollars to balance the existing indebtedness of the United Kingdom to Canada for expenditures heretofore incurred by Canada for Great Britain in connection with the war, and without interest, and until the termination of the war. The technical part of the operation has been explained to us in part. If elaboration is needed of the whole operation or of the technicalities of the operation, I am sure that this will be made plain to us after we have had time to study the minister's statement. I am sure the minister will be glad to do that.

Then it covers the third proposal enumerated in the Prime Minister's statement, and more elaborately set out now in the minister's statement. This enables the government to purchase from the government of Britain certain unmatured securities or obligations,

direct or indirect, of the government of Canada. That, of course, constitutes a continuation of the policy heretofore pursued, which was, I think, a natural policy for this or any other government to have pursued in the circumstances. I refer to the repatriation of our own debt. As the minister has indicated, there will be a continuation of the position of both debtor and creditor as between the two countries which will give each one an economic interest in the other. Of course that is important, but it is not the whole position.

I should like to point out in this connection that the government's proposal as such does not encompass the repatriation by this government of securities heretofore issued by Canadian corporations. I am not making any complaint about that; I presume it is a matter of arrangement between the government and those who seek to sell them in the Canadian market. There are certain misconceptions abroad with regard to this situation. I have heard the statement that the government are buying securities of distilleries and the like, bringing them back here and selling them to the country. I should like to clear the government of any charge of the kind. It does not cover that position at all. I think the minister should clear up this situation and make the position absolutely clear. I had some correspondence with the department about it, and I was reassured and reaffirmed in my own opinion. These stories are being loosely told throughout the country, and these things ought not to be.

Mr. REID: Likewise about the Canadian Pacific Railway.

Mr. HANSON (York-Sunbury): All these corporations. One story that reached me was with regard to the securities of the liquor interests of Canada held in the United Kingdom. I have even heard the government charged with supporting the liquor business, and I had to come to their rescue. The minister comes from the Annapolis valley, and his religious beliefs being what they are I am sure that he would not tolerate for a moment anything of that sort. I do not want to appear to be frivolous in the matter. These are misconceptions which the minister should clear up if he finds it is necessary to do so, as I think it is. However, that is merely by way of passing.

Mr. ROWE: Clear up the liquor business itself.

Mr. HANSON (York-Sunbury): There are two opinions about that. There is no doubt that there is grave anxiety about that position in certain parts of Canada, and one result has been that the liquor control boards in the provinces down by the sea have had to reduce very materially their sales. I have no doubt the minister has had an earful about that long before this, as I have had.

Mr. KINLEY: Do you not think that that is right?

Mr. HANSON (York-Sunbury): I certainly do; there is no question about where I stand. At this point I should like to ask the minister if any consideration has been given by this government to the repatriation by this government, or by provincial or municipal governments with the assistance of this government, of securities heretofore issued by provincial and municipal governments and held in Great Britain. I believe there are such, but I have never heard that any of them have been repatriated.

Mr. ILSLEY: No.

Mr. HANSON (York-Sunbury): It occurs to me that there must be such securities, heretofore marketed in Great Britain, which are now held by the British government under its policy of marshalling foreign and dominion securities.

The fourth power sought and introduced in the resolution is an enabling power. This follows the usual practice and calls for no particular comment at this stage.

I should like to express the hope and wish that this measure will receive the unanimous support of this house and of the country. We should get behind the minister and the government in this measure. The proposal before us is much more than a gesture; it is a tangible recognition of an obligation, the payment of which is long past due by Canada. Make no mistake about that. For generations before this war began Britain has been guarding our sea lanes and our trade routes and providing protection for our very existence, all without any cost to us. It has always been a matter of great regret to me that we have accepted this protection, in most cases without even an acknowledgment. We have accepted help and protection of inestimable value without, to our shame be it said, ever contributing a single dollar or a single man. That was before the war.

Since the war began Britain has been defending Canada on the seven seas and in every theatre of war. Our proposed contribution to Britain does not begin to measure up to the value of Britain's contribution to Canada in this war. I should like to emphasize that. I am not seeking for a minute to minimize what Canada has done for herself,

but without Britain's contribution in this war we would be another Norway or Denmark. The minister and the Prime Minister talk about the contribution by the government of Canada. That is not the correct designation. This is a contribution by the Canadian people and not by the government of Canada. I think that should be emphasized. I do not wish to be misinterpreted, neither do I wish to derogate from the credit due to the government for the proposal. But it should never be forgotten that this splendid contribution is first and foremost the contribution of the Canadian people. It is an expression of gratitude for services rendered, for value received, both before and since the war began.

An additional justification for this proposal, if any be needed, is to be found in the lease-lend policy of the United States. That policy and the operations under it long before the United States entered the war have been of great value to Britain in her defence, and in the defence of the world. I would go so far as to say, in the defence of the United States. It has been of great value to our gallant allies, the Russians. If one will recall the recent speech of Lord Halifax in connection with this and other matters he will realize the ramifications of the whole lease-lend policy. As I understand it, Britain has given to Russia in the form of certain equipment even more than she has received from the United States. I suggest to this House of Commons and to the people of Canada that we can hardly be less generous to Great Britain than has the United States, having regard to our comparable resources. We have not the resources that the United States have, or as many of them.

There is a further important reason why we should make this grant. In peace time Great Britain has been our best customer for food products. The minister gave figures to-day to show the adverse balance of trade against Great Britain in recent years since the war began. That has been true for many years. The principal item making up that balance of trade has been food and food products from Canada, and in a more limited degree, and this is particularly true of our coast provinces east and west, our forest products.

Mr. REID: And fish.

Mr. HANSON (York-Sunbury): And fish. Since the war began Great Britain has been practically our only customer for food products. The United States have taken certain quotas of beef cattle and the like, but by and large Britain has been our best customer for food products over a long period of years.

[Mr. R. B. Hanson.]

Then there is the post-war period; where shall we look then but to Britain again for an outlet for a substantial part of our food products? Someone will say, the continent of Europe. Well, the peoples of Europe will have to be fed, but I doubt very much whether they will be able to pay for it. All these are to me at least compelling reasons why all loyal Canadians should and will support this grant.

I wish now to refer to a matter that may not be received with as much satisfaction as what I have just said. I desire to call the attention of the house and of the Minister of Finance to a speech reputed to have been made by his colleague the Minister of Fisheries (Mr. Michaud) on February 7 last at a political rally during the by-election campaign in Quebec East, in the course of which, as reported by the Canadian Press, a reliable organization, the minister made the strange and in my view unwarranted and uncalled-for declaration that by March, 1943, Canada would be financially and economically free from Britain. He is further reported to have said, and I am now quoting his remarks as they appear in the press report:

> We will have furnished enough provisions and arms by that time to pay off all debts that Canada owed to British capital.

The report goes on:

> Being financially and economically free from Britain will mean, Mr. Michaud said, we shall be free to find markets where we wish. We shall no longer have to import from Britain things that our own workers can produce.

Frankly, Mr. Speaker, I was astonished when I read that press report. Just what did the minister mean? Are we not free and have we not always been free to find markets for our products whenever and wherever we wished?

Mr. MARTIN: Did not the minister deny that?

Mr. HANSON (York-Sunbury): I do not know. I never heard it denied. He should come in and deny it now if it never occurred. Then perhaps we should have some further investigation into the matter.

Mr. MARTIN: My recollection is that he did deny it.

Mr. HANSON (York-Sunbury): I never heard it. I should have called attention to it long ago. I blame myself for not having done so.

Mr. MARTIN: The hon. gentleman did.

Mr. HANSON (York-Sunbury): I referred to it just in passing. I did not elaborate on it as I am doing now. I do not recall this

statement ever having been denied in this house; I am speaking subject to correction. What did the minister mean by "being financially and economically free from Britain?" Since when have we been in bondage financially and economically to Britain, and since when have we been bound to import from Britain things that our own workers can produce? I frame these questions on the allegations as reported in the press. All this was being said at a time when Britain was fighting our battles on land and sea and in the air—and said to win a by-election; a miserable performance if ever there was one.

Mr. MacNICOL: Like the machine gun matter.

Mr. HANSON (York-Sunbury): Yes, like the machine gun matter. What kind of mentality does a minister of the crown possess who would at this of all times give expression to such a view? I hope the Minister of Finance will repudiate it. In the present position he owes it to himself, he owes it to the government of which he is a member, and he owes it to Canada and to all Canadians to repudiate such views. I do not for a moment suggest that the Minister of Fisheries was expressing the views of the government or expounding government policies. I should be astonished beyond measure if that were so. But I have never seen anywhere that the Prime Minister has repudiated these views or utterances of the minister, as reported in a reputable press agency of this country, and I call upon the Minister of Finance and the government to repudiate them. I call to mind a somewhat similar situation in the time of Sir Wilfrid Laurier when the Hon. J. Israel Tarte, taking advantage of Sir Wilfrid's absence from the country to attend a conference overseas, went about Canada enunciating doctrines at variance, on paper at least, although not in reality, with government policy. What happened to him? Well, he was just sacked—that is what happened to him, and that is what ought to happen to the Minister of Fisheries if he said what is reported is true.

In the Royal Bank review of March, reference is made to what is termed a "misunderstanding" which appears to have arisen about this proposal of the government, a misunderstanding which I personally had not been aware of, since I had not seen any adverse criticism of the proposal or any evidence of a misunderstanding. I made some inquiries and I presume there may be such by the man on the street who is questioning this transaction, who may think that if we give a billion dollars to Britain we shall have just that much less to spend in Canada. But as I understand it, and as the minister I think has made abundantly clear this afternoon, that is not the proposal. The government is asking the Canadian people, through parliament, to make provision for meeting Britain's shortage of Canadian dollars by supplying, free of charge and without obligation, to Britain, not money, but munitions of war, raw materials and foodstuffs, up to a total amount of one billion dollars.

We must realize that these munitions, raw materials and foodstuffs are in fact part of our own defence. The term "one billion dollars" is only a convenient way of expressing the total of these munitions, raw materials and foodstuffs which we shall send overseas. That money, the public should understand, will all be spent in Canada, for wages and salaries, raw materials, company earnings, and what not. Much of it, I venture to think, will find its way back into the public treasury and into the coffers of the provinces and municipalities in the form of taxation. So that perhaps it is not quite as much as at first it would appear. That, of course, is just an incidence of the expenditure.

In the first two years of this war we shipped to Britain goods, supplies, and munitions of war in excess of one billion dollars. Payment was made by Britain in several ways, the three most important being (a) shipments of gold to Canada; (b) shipments of goods exported to Canada, and certain services, shipping and the like, the collection of interest and dividends, which are usually termed services, I think; and (c) the repatriation of Canadian government and government guaranteed securities.

But a large portion of it, as stated here this afternoon in exact terms, is supplied, as I understand it, by Canada by lending the money to Britain with the resulting accumulation of sterling by Canada. The effect of the two operations is not greatly dissimilar, for the time being at least. In neither case are we sending actual money. It is retained in Canada and gives employment to Canadians. But, as the minister has pointed out, the real difference will be apparent in the post-war period when the problem of final settlement of all war debts will arise. I think it is reasonably certain that, if the war goes on long enough—and it looks as though it would—Britain will not be able to pay her debit balances to us. Presumably her only means of payment would be in gold, goods and services. Payment in gold is most unlikely, I think, from now on. I doubt if she will have any to send us; for doubtless her gold will be exhausted by requirements in other quarters. I doubt if we shall want the gold anyway,

except to use it in the way the minister has indicated the gold has already been used, namely, for shipment out of the country in exchange for commodities in the United States. If we accept payment in goods, is that going to affect our post-war economy? This is a question which we must look squarely in the face.

Mr. MARTIN: It depends on what kind of goods they are.

Mr. HANSON (York-Sunbury): Of course I agree that it depends on what kind of goods they are. We must visualize the acceptance of some goods—I am willing to go with the the minister that far. But just how far can we go, having regard to the preservation of our own economy? I know there are utopians who think that we are going to have the millenium with regard to trade after the war, and they interpret the Atlantic charter as the first step towards utopia. Let me again point out what I mentioned here a short time ago, that a very high authority in Britain, at the time we were over there, charged with this question of rehabilitation, and discussing this very matter with us, told us definitely, referring to the Atlantic charter, that when the time came every country would have its own interpretation of that charter. That is the situation which we must visualize.

I return to my previous question: how is it going to affect our post-war economy? I ask it only for the purpose of stimulating thought, because we must have some thought for the future. At that time we shall be endeavouring to transform our war economy into a peace-time programme of employment for our own people—I mean our returned soldiers and sailors and our civilian population. That is the duty which will be cast upon the doorstep of this or some other government. We might as well ask ourselves right here, are we going to accept goods from Germany made under starvation conditions, perhaps on a fourteen-hour day basis—because that is what may happen if the German nation survives—in competition with goods produced by Canadian workmen? I leave the matter there.

Mr. FRASER (Peterborough West): We did, after the last war.

Mr. HANSON (York-Sunbury): Well, if we did after the last war, perhaps we can profit and benefit by experience. I am not going to take any decided position, because possibly I shall not have any responsibility in regard to it. But I ask the hon. member for Brantford City (Mr. Macdonald), in whose town are being manufactured certain goods with which these imports might come into competition. I ask the hon. member for Essex East (Mr. Martin) who also lives in a community whose products may be in competition with those of the war-torn nations of Europe, nations which will want to live after this war is over, which will probably have to buy our food, and which may be producing under economic conditions and living standards which no Canadian would want to tolerate for himself or his people. At the moment I do not know the solution of the problem, nor do I attempt to give any.

I talked to a great industrialist in Canada about this problem not many months ago. We were speaking about the prospects of exports of Canadian-manufactured goods—not food products—and he said that he saw no daylight in the outlook for sales of our industrial products, which would meet immediate competition from continental Europe.

Mr. REID: Some industrialists are getting ready right now for that very fight.

Mr. HANSON (York-Sunbury): We ought to take some long view in this matter. Certainly industrialists do not visualize any great happiness in connection with the export of industrial production from this country or the United States, countries whose standard of living is relatively high, in competition with countries in which there is bound to be a very low standard of living after the war. Of course if we are to have a system of communism—I do not use that word in its political sense—if we are to have a socialistic state where all will be at the same level, the Canadian workman may look forward to being dragged down to that level, not carried up to a higher standard. When peace comes we shall be faced with the problem of transforming our war economy to a peace-time programme of employment for our returned soldiers, sailors and airmen and for our civilian population theretofore employed in war work; and of reestablishing our industries on a peace-time basis, and of building up our domestic markets for consumer goods and finding markets abroad for our farm products and for such portions of our industrial output as we have available for export.

We do not want, I agree, to see a repetition of the position which obtained after the last great war, when international balances grew to dimensions which could not be dealt with, and when moratoria had to be declared. I should like to state this, however, that Great Britain certainly took care of her debt to Canada, and without any pressure at all.

This gift of one billion dollars, not in cash but in kind, and in the manner indicated by the minister—details of which we shall examine

further when the bill is before the committee of the whole—is not only a great contribution to the winning of the war but it will, I believe, be some contribution to the winning of peace.

Mr. M. J. COLDWELL (Rosetown-Biggar): I wish to say just a few words this afternoon, for I think it is necessary to read very carefully the remarks of the Minister of Finance (Mr. Ilsley) in introducing this resolution this afternoon before making any extended comment upon what he has said.

I want first of all to congratulate him upon the clarity with which the statement was made, and to say that as I listened to him I thought it was one of the most interesting and probably most significant statements that has ever been made in this house. I say that because I think there was for the first time a clear recognition that, after all, all the economic obligations among nations are settled by exchanges of goods and services, and that while figures in the ledger may signify some things, money as we have known it does not enter into the transaction at all. Consequently we have to think, at the present time and in the post-war years, in terms of goods and services not money.

Speaking on behalf of the group with which I am associated, I want to say that we support this gift to Great Britain. We are, however, under no illusions. Had we had any illusions as to the idealism that seemed to lie behind this gift, I think the words of the leader of the opposition (Mr. Hanson) this afternoon will have torn them all from us. We are making this gift not only because we want to do something to assist in maintaining the morale of Great Britain and the winning of the war, but because under a capitalist economy we dare not allow our best customer to get into our debt. In other words, we have the paradox of capitalistic society outlined very clearly this afternoon, and we need not be hypocritical in thinking we are doing this entirely from altruistic motives. We are not.

I once heard a former leader of the opposition—I refer to the Right Hon. R. B. Bennett—say that when negotiating with the representatives of British business it was well to remember that they are quite hard-boiled. I was born over there; I lived there the first twenty-one years of my life; I know something of them, and I know the history of the country in which I was born. I thoroughly agree with what Viscount Bennett said when he was leader of the opposition. I think that by the same token we should view this matter realistically and not obscure the real issues that are behind this gift by all kinds of platitudinous statements about our obligations and our patriotism.

One reason why I support this gift is that I want to see assistance given to the hard-pressed British people. When I was over there last autumn I saw something of their difficulties, some of their privations. But at the same time I want to keep clearly in my mind that in this parliament I represent the Canadian people, or a fraction of them, and I want to view this matter realistically from the Canadian point of view.

The Minister of Finance said in the course of his remarks that if we make this gift and do not receive securities from Great Britain by way of repatriation, it will give her a continuing interest in Canadian prosperity. That is a fairly realistic statement, and I agree with it, that so long as interest and dividends continue to flow from Canada to Great Britain, so long will certain people in Great Britain be interested in commercial relationships with us. But it is precisely that kind of thing which, after the war, I should like to see removed from our relationship with Great Britain, and removed from the world, for that is neither more nor less than hard-boiled economic imperialism. If we are going to consider these matters from the point of view of hard-boiled commercial economics, then we should try to view the whole picture in its proper setting.

I must confess I was surprised this afternoon when, in reply to a question which I asked, the Minister of Finance indicated that to-day the holdings of British investors in this country have been reduced to approximately $1,000 million.

Mr. ILSLEY: I may be wrong in that, sterling; that is the result of my inquiries.

Mr. COLDWELL: Well, as the leader of the opposition said, when we are discussing balances, what are seventy, or eighty or a hundred millions between friends? I was surprised, I must confess, to hear that the amount had been reduced so substantially. I brought down with me this afternoon a copy of the "Canadian Balance of International Payments", published in 1939. Speaking again in round figures, I find that in 1937, the last year recorded here, the balance of British investments in Canada was approximately $2,500 million. Therefore, since the war broke out, the amount has been reduced by approximately $1,500 million. I am glad that that reduction has been made, for while these interest and dividend payments are made to Great Britain, they go to only a very small class in Britain who own the securities upon which they are paid.

Mr. MARTIN: All that is involved is a change of ownership.

Mr. COLDWELL: The goods and services which are exported from this country are the product of the toil and labour of the Canadian people, and consequently there is a lien, if you will, upon the labour of the Canadian people from outside this country.

Mr. MARTIN: That is economic nationalism.

Mr. COLDWELL: It is nothing of the kind.

Mr. MARTIN: It is the worst type of it.

Mr. COLDWELL: Nothing of the kind. If economic nationalism means that the people of a nation are going to own their own resources, utilize them for the raising of their own standards of living and the satisfaction of their own needs, both national and international, then of course that is economic nationalism. But if the only basis of trade between nations is going to be between some great creditor nation and a large number of debtor nations, then we have most of the nations in the world held in slavery to one nation. That is the antithesis of freedom, the antithesis of liberalism and the antithesis of the right kind of human relationships.

At this point I should like to ask the minister to tell the house—not now, but at some future time—just what our economic position is in relation to the United States and what effect the war is having upon that relationship.

Mr. MARTIN: What about Canadian investments abroad, in other countries?

Mr. COLDWELL: If nations in which we have made investments can, by the production of goods and services, pay them off, then to that extent those nations are or should be better off internally.

Mr. HANSON (York-Sunbury): No more free enterprise.

Mr. COLDWELL: "No more free enterprise," someone murmurs. That is analogous to the statement made earlier this afternoon, that socialism meant a dead level of equality. Well, of course, anyone who makes that statement is crassly ignorant of modern conditions.

Mr. HANSON (York-Sunbury): Mr. Speaker, I object to the use of the words "crassly ignorant," and ask that they be withdrawn.

Mr. SPEAKER: If the reference by the hon. member was to the leader of the opposition, I would ask that the remark be withdrawn.

Mr. COLDWELL: I will withdraw the word "crassly".

[Mr. Martin.]

Mr. HANSON (York-Sunbury): That is not good enough. The hon. gentleman should not attribute ignorance to me or any other hon. member.

Mr. COLDWELL: I will say this, then, that the hon. gentleman appeared to me to be ignorant of modern conditions.

Mr. ROSS (Souris): I think that should be withdrawn too.

Mr. COLDWELL: I need not withdraw that, because I am giving my opinion of the statement of the leader of the opposition; and I am not going to withdraw a warranted expression of opinion. To-day we have nations at war. We have Germany, which prostituted some of the features of socialism and called it national socialism; and even a prostituted socialism built up an economy which is causing us great trouble to-day. On the other hand, we have another nation with another theory called communism, which built up its form of socialism under conditions with which I profoundly disagree; but the basis was planning. The basis was the control and utilization of the economic resources and labour of those nations. To-day, whether we like it or not, we have to admit that they did a remarkable job in a short space of time. The challenge to us in the democratic countries is that if we are to survive under our democratic institutions, we must plan our internal economies so that men and women may live, produce, increase their standards of living after the war, and carry through the great war effort in which we are at present engaged.

But I was rather deflected from what I intended to say. I said I was surprised at the amount of securities already repatriated in Canada. In 1937, as I understood it, government securities including dominion, provincial and municipal securities, held in Great Britain amounted to $514,000,000; railway securities to $1,065,000,000, and manufacturing, mining and other securities to $1,105,000,000.

Mr. REID: Are the interest payments given?

Mr. COLDWELL: They are given, but I did not note them. On the other hand, Canadian investments in Great Britain amounted to approximately $41,000,000, or an amount almost negligible when considering the large sums with which we are dealing to-day. I was particularly interested in a break-down of some of these figures. Referring to page 25 of the document I mentioned previously, and using the last available figures for 1936, we find that bonds and debentures totalled some $841,000,000, less the estimated purchase back of $100,600,000, or a net of $140,500,000. That $841,000,000 was made up as follows: Canadian

National Railways, guaranteed, $406,000,000; Canadian National Railways, not guaranteed, $107,000,000, or a total of $513,000,000. Canadian Pacific railway securities held in Great Britain were as follows: common stock, $175,000,000; preferred stock, $133,000,000, or a total of $308,000,000, and, in addition, debentures $288,000,000. That, as I say, was several years ago.

To-day the minister said that up to the end of 1941 we had already repatriated approximately $400,000,000 of securities, and that $295,000,000, or thereabouts, would be repatriated this year. In addition, if I heard him aright and got it down correctly, some private securities have been repatriated, amounting probably to another $125,000,000. Therefore the total repatriated up to date, and intended to be repatriated this year, will amount to $820,000,000. I want to get this quite clear, so that I understand it. The amount, therefore, that has been repatriated will be about $400,000,000. Was the $125,000,000 repatriated before the end of 1941? I was not quite clear on that.

Mr. ILSLEY: Yes, up to the present.

Mr. COLDWELL: So the additional amount for this year will be $295,000,000?

Mr. ILSLEY: That is right.

Mr. COLDWELL: As I understand it, the Canadian Pacific railway stocks held in Great Britain, to the par value of about $308,000,000, and the debentures of the same company, amounting to some $288,000,000, or a total of about $596,600,000, have not been repatriated and are not being repatriated now?

Mr. ILSLEY: That is correct.

Mr. COLDWELL: The Canadian National obligations will have been repatriated at the end of the coming year?

Mr. ILSLEY: Yes.

Mr. COLDWELL: I am not suggesting that this should be done in connection with this $1,000 million, but when we come to make a settlement, having made this gift, why not also consider the repatriation of the Canadian Pacific securities? Further, what is happening to these repatriated securities? What percentage of them is being held by the government; what percentage sold? If they are sold, all we are doing is replacing one set of investors with another set of investors. True, our own investors in this country will then own the repatriated securities, and henceforth interest payments will be made to people in Canada. But what we are actually doing is substituting the Canadian investor for the British investor and, as the minister and the leader of the opposition both recognized, there may be some disadvantage in that from the point of view of trade and commerce, under our present economic structure.

I should like to see more of these securities, particularly of industries like—if and when we repatriate them—International Nickel, some of our power corporations and the Canadian Pacific Railway, held by the government, so that we might have a controlling interest in some of these organizations when the war ends. In the post-war years we are going to face serious problems of rehabilitation, and if we are to face them realistically, the control of some of our great resources and some of our great industries may be of fundamental interest to us. Therefore I should like to see a policy worked out in connection with repatriation plans whereby we would hold at least some of the securities so that we may have some determining voice in the control of Canadian industry when this war ends.

In conclusion, I should like to express this point of view once more—I felt it when I was in Great Britain; and others to whom I have listened since I came back, notably Mr. Brockington and others over the radio, have expressed the same opinion—that in Great Britain this is not only a war; it is something more than a war. It is the precursor of great social and economic change.

Only a few days ago I received a letter from a young man in Great Britain whom I met there, a young man who had been a member of a large elected body on which he sat as a Conservative. I sent over to him some of our literature, and the only criticism he made of that literature was this, that we were not going as far in our economic and social proposals as some of the younger men with whom he was associated in Great Britain were prepared and were determined to go.

Mr. JACKMAN: Conservatives.

Mr. COLDWELL: Yes, at present in the Conservative party, it is true. But they will have to leave the Conservative party in Great Britain, as others have had to do, before they are able to make any progress whatsoever; for to-day, I may tell my hon. friend, in my opinion the break-down we are seeing in the British empire is largely the result of blind, Tory policies pursued by reactionary governments of Great Britain.

Some hon. MEMBERS: Hear, hear.

Mr. HANSON (York-Sunbury): The applause is from across the floor; there is the Tory party to-day.

Mr. COLDWELL: I did not refer to my hon. friends to the right as Tories. I referred to the Tories of Great Britain. But I am quite convinced of this, that our hon. friends to the right of Mr. Speaker are so close to the wall on the right that it is useless for our Conservative friends who sit to the left of Mr. Speaker to try to get between them and that wall; make no mistake about that.

But we have not yet apprehended aright what is going on. If we apprehend aright, we shall see that in our own country after this war we shall have to follow the world trend, and that world trend will be ever more and more in the direction of greater public control, public ownership—socialization, if you like the word better—

Mr. MacNICOL: Certainly not the way the government is operating its manufacturing plants.

Mr. COLDWELL: I do not think any government can operate a manufacturing plant; no government would ever attempt to do it. But the government of Canada could, as any other government can, hire just the same type of technicians, just the same brain, and they would act with even greater enthusiasm to carry on in the interests of the people rather than in the interests of the exploitation of the people. So I say that that does not frighten me a little bit.

I am very glad that this gift is being made. But let us view it realistically. We are prepared to give this to the British people, and we hope they will get it. We hope the British people will benefit from this, and not a few people in Great Britain. We hope that in the making of this gift it will ultimately benefit the people of Canada, too, not a few people in Canada—because otherwise the obligation which this involves may mean that there will be still $1,000 million worth of claims on the labour of the Canadian people for a very long time to come.

Mr. VICTOR QUELCH (Acadia): Mr. Speaker, in his speech the minister raised a number of interesting points which will no doubt raise many questions in the minds of hon. members. Those questions will have to be left over to the committee stage.

I agree with the hon. member for Rosetown-Biggar (Mr. Coldwell) in his criticism of some of the statements made by the leader of the opposition (Mr. Hanson). It is intolerable to feel that to-day we are fighting for a continuation of conditions such as existed in this country before the war, conditions which apparently the leader of the opposition feels must exist again at the end of this war. We have been told by the Prime Minister (Mr. Mackenzie King) and by other members of the government that there will be a new social order at the end of the war. But judging from the statements made by the ministers themselves and by the leader of the opposition, it is quite evident they do not really believe there will be any fundamental change in future policies.

At the very outset I wish to say that the members of this group are whole-heartedly behind the government in the proposal to give to Great Britain outright a billion dollars' worth of goods. We feel that this should be regarded merely as a start of a new policy as between allied nations. It involves of course a completely new principle, and I am going to deal with that from two different angles. First I shall discuss the moral, and then the economic side.

Speaking first about the moral side, I think we will all agree that to-day there is only one real issue before this and every other one of the Allied Nations, and that is to defeat the enemy wherever he may be found, whether it be in Europe, in Asia, in Australia or in New Zealand. If we do not meet and defeat the enemy in those places we will eventually have to meet and defeat him on the North American continent. It is very important that the people of this country as a whole should meet that fact face to face, and more realistically. Unfortunately many people in this country still think that we can sit back on our doorsteps and wait for the enemy to appear. Let us constantly keep before our minds this all-important fact, that the battle in Russia to-day is our battle, that the conflict raging in the Dutch East Indies is our conflict, and the same is true of Burma, China, Africa, wherever the enemy may be found. Let us realize this before we have to add America to the list.

I think it is apparent to everyone that the allies should cast every ounce of their strength against the enemy at this time. In order that this may be done it is very necessary that we should mobilize our maximum strength. I do not think we have done it up to the present time. I think I can show shortly that we in this country are a long way from having done that, and the same can be said of every one of our allies, including Britain. We should reduce all non-essential services down to the very minimum. We shall have to be content to maintain a standard of living just barely sufficient to guarantee that our people can be maintained in a state of health and efficiency.

In my opinion the total available resources of all the allies should be pooled for a united effort under a united command. No matter where the battle may be, no matter in what part of this world we may have to fight, the total resources of all the allies should be avail-

able to a united command. This united command should be able to throw these total resources into the conflict disregarding completely who owned them before they were turned over. For example, let us assume that the united effort of Great Britain represents eight units; that of Canada four units; that of the United States ten units, and Russia twelve units. I am not suggesting for one moment that these figures represent a true comparison, I am just using them as examples. All these units should be made available for a common effort against the enemy.

Would the United States be justified in saying that they are only prepared to put into that common pool eight of their units, but would sell the other two to any one of the more pressed nations? Apparently the minister thinks that there might be some justification for that, because he says we are giving a billion dollars to Great Britain and are having to find foreign exchange to buy from the United States. Personally I can see no justification for giving a billion dollars' worth of goods to Great Britain, on the one hand and, on the other hand, having to buy from the United States. This is just as much the war of the United States as it is the war of Canada, of Britain or of Russia. I cannot see any possible excuse for buying, on the one hand and giving on the other. We should do everything in our power to convince the United States that this is just as much their war as it is ours, and therefore that they should be prepared to give to the common pool instead of lending.

As I was saying, at the present time apparently some people in Canada feel that we should give only one of our units and should lend or sell the rest. Again I say that the same thing that I referred to with regards to U.S.A. applies to Canada. I am reminded of an example which was drawn to my attention. Two men, one large and one small, were standing with their backs to the wall facing the enemy. The large man said to the small man, "I can fight a great deal better than you; I am going to put one of my hands behind my back and fight just with the other so we can put forth an equal effort. However, I will sell you the use of that arm in order that we can put up a better fight." Surely he should realize that unless he uses both arms, he as well as the other man will be licked. It is essential that he use both arms, whether or not he is able to sell them.

There should be no loans or sales as between the allied nations. Furthermore, at the end of the war, when the time comes for rehabilitating the devastated areas of the allies, that work should be done on the same basis, without loans or debts. If at the present time better use can be made of our tanks in Great Britain, then those tanks should be given to Great Britain. If at the present time better use can be made of our tanks in Russia, then those tanks should be given to Russia. In order that such a proposal may be carried out in an equitable way it is essential that every one of these nations should maintain their production at its maximum level and reduce non-essential services and be satisfied with a moderate standard of living. It would not be fair for one nation to say that it is going to have "business as usual" while the other nations cut down their expenditures to the very minimum. There must be an equality of sacrifice to the greatest degree possible.

Are we in Canada maintaining our production at the present time at its maximum level? I shall take one of the primary industries, that of agriculture. I know enough about agriculture to know that our production can be extended tremendously in many lines, such as poultry, hogs, honey, cheese, and so on. This can be done if the people are assured that they will get a price equal to the cost of production, and if the necessary organization is put into operation to produce this result. Unfortunately in this country to-day we are still thinking in terms of jobs instead of maximum production. Instead of organizing our production to its maximum, in order to provide jobs for people we are willing to allow certain non-essential services to continue. I have an important example of this before me which I should like to give to the house. I have before me a copy of the *Financial Post* of February 21. I should like to quote from page 17 to show how far some people are from understanding the real problem that faces this country. I quote:

> Gold Fights for Canada
>
> Canada's story is typical of that of other united nations. For Canada, gold provides:
>
> 1. Foreign exchange—about $205 millions in 1941, equal to one-fourth of all the U.S. dollars provided by Canadian exports in that year, one-ninth of all Canada's exports.

I shall take one section of this at a time. If the United States were willing to let us have goods on the same basis as that on which we are giving them to England, it would not be necessary to export gold to the United States. That gold does not help the war effort of the United States in one single degree. If the United States are really interested in winning this war, would it not be better for them to say that they do not need this gold, that we should put our 32,000 miners, most of them skilled labourers, to work in war industries in order to expand our war effort? Paragraph 2 reads:

2. Taxes on approximately $60 millions of wages and salaries; on the $21 millions of supplies purchased; on the $94 millions left for direct taxes on mining profits, depreciation and dividends; on the personal income gained from roughly $50 millions paid in dividends by purely gold mining companies.

If those same men were put to work in war industries, would not the government be getting taxation from those war industries? Taxation derived from gold mining is no more valuable to the government than the same amount of taxation derived from war industries.

Paragraph 3 is the funniest part of it all. I cannot imagine that any person would be guilty at a time like this of making such a foolish statement. It reads:

3. A living—for 32,000 miners, their families and the communities built up to serve them. Rough estimate of the total number supported by the gold mines has been placed at over 200,000 Canadians.

This publication contends that we should continue gold mining in order to provide jobs for 32,000 men; yet we are told in this house day after day that our production has reached its maximum capacity because we have not the skilled labour available. These men are mostly skilled machinists and miners; they are the type of men that are needed greatly to-day in our war effort. But apparently those with the gold mentality would rather go on mining gold, would rather keep these men working at some non-essential service that might handicap our war effort. I defy the minister or any one in this house to show me how these men are helping the united war effort of the allies in any degree whatsoever. If you leave the United States out of the war, yes, that might make it necessary for us to buy from them with gold. But with the United States in the war, you cannot say that gold helps in the slightest degree.

Paragraph 4 deals with morale. It says:

Gold production maintains the morale of the civilians.

To what extent would the morale of the people of this country be hurt if we stopped producing gold? On the contrary it would be raised considerably, because the people would realize that the government was waking up and at last cutting down on non-essential services. But the *Financial Post* says that gold production builds up the morale of the people. Yes—the people who are getting dividends from the gold mines. That is all that the *Financial Post* worries about—the shareholders. It goes on to say:

Many of those serving the miners could not find other jobs and would become reliefees instead of taxpayers if it were not for the steady production of the gold mines.

[Mr. Quelch.]

If these men were put into war industry they would not be out of work or on relief. But is the government really interested in planning war production at this time? Do the words of the Minister of Munitions and Supply (Mr. Howe) and of the Minister of Labour (Mr. Mitchell) mean nothing when they say that we are short of skilled labour? One would almost be led to believe so.

I want to refer briefly to a statement made by the hon. member for Cochrane (Mr. Bradette). I am sure he was perfectly sincere in what he said and I am not going to attack him on that basis. But I would point out that some of his arguments were not very sound. What he said was spoken in another debate during the present session and I cannot read it, but I shall briefly summarize some of his points. He asks us not to allow 65,000 people to be thrown out of employment by stopping the production of gold. I do not know where he got that 65,000. I thought it was around 60,000, but I wrote to the bureau of statistics and they assured me that the total number of men in all classes of the gold mining industry would not number more than between 32,000 and 33,000, with the exception of prospectors. But we will use the hon. member's own figure of 65,000, because he may include in that number the men who are providing food for the miners. He said that he was not discussing the gold standard. He did not want to get into that argument. But what possible justification can there be for supporting the production of gold unless at the same time you are prepared to support the gold standard? He urged that these men at work in the gold mines be not thrown out of work but be put on essential services. We are not urging that they be thrown out of work. There would be no sense in that. We are asking that the production of gold be stopped to release these men for essential services. The hon. member for Cochrane seems to think that we want to throw them out of work.

He also contended that if men should be kept on farms when there is a surplus of wheat, surely, therefore, gold mining should not be discontinued. He seemed to think we were inconsistent in wanting to keep men on the farms producing wheat not needed now, and at the same time condemning the gold mining industry. There again I point out that the number of men required to produce wheat is comparatively small. The part of agriculture that requires the greatest proportion of labour is not the raising of wheat, but live stock and dairying, the products of which are very much needed to-day. One man may be running a one-section grain farm,

with an additional man to help at the harvest. My boy has been running a one and a quarter section farm, running the combine and engine himself, and the only help he has is a man to haul the grain away.

Mr. MARTIN: He is doing better than his dad.

Mr. QUELCH: He has better machinery than I had. On the other hand, just as soon as he started to go into live stock he had to have additional help. It is that which takes men for the farm. In the days of the old threshing machine we needed a lot of labour. It required ten men on a threshing gang. But to-day one man can handle what took ten men before the advent of modern machinery. Of course some members may say: If that is so, it cannot cost much to raise wheat. I do not want to leave that impression. It costs a great deal of money to buy that type of machinery, and the depreciation on it is very heavy indeed. That is where the money goes, to machinery companies, instead of to labour.

Another point. Even if the wheat is not urgently required, and I admit that it is not urgently required to-day, we realize that it is necessary to build up great reserves of wheat for the future. But even if it were not urgently required, that wheat at least is not harmful to anyone. No one would suggest that. On the other hand, large accumulations of gold are harmful because they give rise to an ever-growing demand on the part of certain people in high places that the country should go back to the gold standard. It would be a bold man who would say that the gold standard has not done tremendous harm to nations in the past.

I noticed a statement in a paper recently that gave me a great deal of concern. I raised the matter in the house this session, at page 60 of *Hansard,* as follows:

On January 21, 1942, there appeared in the Edmonton *Journal* an account of the scheme to be submitted to the Rio conference. Section 2 of the proposal, as outlined in the article reads:

"Creation of a free international exchange currency to facilitate flow of goods and prevent delay in transactions. It would be on a gold basis and in addition to the American nations, Great Britain, China, the Netherlands, India and all British dominions would enter into the agreement. A pool of allied gold holdings would be created. The Latin American countries would agree to peg their national currencies into the free international exchange currency."

I asked the Prime Minister whether or not Canada had any commitments, and he said that Canada had not any commitments, and that there has not been any correspondence on this matter. He did not state whether there had been any discussions. I am satisfied that there have been discussions; there cannot be any doubt about that. I cannot believe that a statement such as the one I have just read would be submitted to the conference unless there was some foundation for it, and the statement says definitely, "Great Britain and all British dominions." Would that statement be made without any foundation? So that while the Prime Minister's statement that there has been no correspondence may be correct, I maintain that undoubtedly there have been discussions, if not on the part of the Prime Minister himself, at least by men in official positions. I shall refer to one of these gentlemen. I have here a copy of *National Money News,* published by the League for Economic Democracy. In its issue of January 15 at page 3, this item appears:

Doctor James going to Britain to discuss post-war plans.

Ottawa, January 13 (CP).—Doctor F. Cyril James, principal and vice-chancellor of McGill University, will go to Britain shortly to consult United Kingdom authorities on post-war reconstruction, officials at the Department of Pensions and National Health said to-day. Doctor James is chairman of the seven-man committee on reconstruction which acts as advisory committee to the federal cabinet.

Undoubtedly Doctor James has a definite official position in connection with post-war reconstruction. The dispatch goes on to quote from a statement that appeared in the Toronto *Daily Star,* which I have taken pains to verify, and here is the statement from the Toronto *Daily Star* of September 17, 1940:

That was an interesting speech to the American bar association at Philadelphia by Doctor F. Cyril James, principal of McGill. The gold question, he declared, must be considered as a problem of social and political philosophy rather than one of pure monetary theory. If you believe in national isolation and autarchy, he said, the present gold policy of the United States is perhaps the most stupendous piece of folly in history. But if you believe in democratic capitalism and some kind of world economic order, it may be regarded as the most constructive contribution now being made, in any part of the world, to the future welfare of the United States and all mankind.

Doctor James used to be professor of finance at the Wharton school of finance and commerce at the university of Pennsylvania and is therefore an authority. He declared that the United States gold holdings—

This is the interesting point.

—now exceeding $21,000,000,000, were at stake in the war—

In other words, we are fighting to maintain the value of the $21,000,000,000 of gold holdings in the United States.

—and that their value would depend on who won. A British victory meant continuance of gold as the monetary medium—

Mind you, this man, I take it, is speaking on behalf of the government. He is chairman of this seven-man committee. Otherwise he is talking out of turn.

—whereas a German victory, as Doctor Funk himself recently made bluntly clear, would mean the setting up of regional autarchies in which gold would be useless except for economic decoration. Another definite reason, if any were required, for Canadians doing their utmost, in war loans and everything else, for the defeat of Germany! One of our greatest industries is gold mining and, to protect our economic order as well as our country and our homes, victory must be assured.

The whole speech is in defence of gold. He is chairman of this committee on post-war reconstruction. Therefore I do not doubt for one minute that there have been discussions. Maybe he is responsible for the statement made at the Rio conference.

Mr. DOUGLAS (Weyburn): It is reconstruction on a gold basis.

Mr. QUELCH: Yes, it is reconstruction on a gold basis. I do not think there is any doubt of that. Anyone who reads the *Financial Post* to-day knows that they are continually harping on the fact that we shall be back to the gold standard after the war.

Mr. MACKENZIE (Vancouver Centre): Oh, no.

Mr. QUELCH: The minister may shake his head, but Doctor James is of the very definite opinion that that is the thing we are fighting for to-day.

Mr. MACKENZIE (Vancouver Centre): I can tell the hon. member that Doctor James is not running the policies of this government.

Mr. QUELCH: But he is chairman of the seven-man committee, acting in an advisory capacity to the government. It says so here. I suggest that it is high time the government got new advisers if they do not approve his advice. Why keep a man to advise you if you do not agree with his advice?

Mr. HANSON (York-Sunbury): It may be window-dressing on the part of the government.

Mr. QUELCH: If so, it is a very objectionable type of window-dressing, and not the kind of thing which is going to create the morale so necessary to the people of this country, or instil the will to victory.

An hon. MEMBER: It is time to clean house.

Mr. QUELCH: Most definitely so.

[Mr. Quelch.]

Mr. MARTIN: He represents one point of view on a committee which includes many points of view.

Mr. DOUGLAS (Weyburn): But all representing the government point of view.

Mr. QUELCH: I hope his point of view is only his own, but if the government have one man on the committee who represents that viewpoint, there is every reason to suppose that there are also others of the same opinion.

An hon. MEMBER: The government cannot control a man's speeches.

Mr. QUELCH: If he, the chairman, was appointed by the dominion government, I think the government should have some control. A statement of that kind will be detrimental to the war effort. If the people get the idea that they are fighting to maintain our gold reserves and the interests of shareholders in gold mines, it is not going to have any good effect.

Mr. MARTIN: Let us call it a McGill university indiscretion.

Mr. QUELCH: That is a very mild term. There are many non-essential services, but I think this is the most glaring example of one which can be done away with without causing privation to anybody. Until we are rid of this kind of service I believe our war effort will fall far short of what it should be.

Another business which is in the same category is the liquor traffic. Does any one believe to-day that we could not very well ration liquor?

Mr. MacNICOL: It depends on the man's capacity.

Mr. QUELCH: Would the hon. member suggest that if we rationed it, he would be any worse off physically than when he is allowed to drink an unlimited amount?

Mr. MacNICOL: I do not drink. I am a teetotaller.

Mr. QUELCH: I would suggest, joking apart, it would not hurt anyone for the duration of the war to be limited to, say a bottle of whisky a year.

An hon. MEMBER: A week!

An hon. MEMBER: A day!

Mr. QUELCH: I understand some member to say that in British Columbia it has been reduced to one bottle a day. Perhaps the Minister of Pensions and National Health (Mr. Mackenzie) can give us some information in that regard.

Mr. DEPUTY SPEAKER: Order.

Mr. QUELCH: I do not want anyone to say that I advocate that the rum issue to the troops should be done away with. I do not suggest that for a moment. When men undergo what they have to undergo, a drop of rum makes a very great difference, at a time such as stand-to in the morning. But I do not believe that people in civil life need to be able to buy bottle after bottle week in and week out, and if their supply were curtailed severely it would mean not only a saving of labour but, I believe, an increase in efficiency. Last week-end I was in Montreal, and although I was there only one night I saw three brawls in the streets. They were caused by drunks, and when the policemen came up they just sat in their car and watched the fight. I am not casting any aspersions at Montreal; I do not doubt that similar scenes are taking place in many other cities.

We not only let down our allies but are false to ourselves when we do not put forward the maximum effort of which we are capable.

On motion of Mr. Quelch the debate was adjourned.

At six o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, March 19, 1942

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CUSTODIAN OF ENEMY PROPERTY

Mr. HANSON (York-Sunbury):

1. What is the value of the property of all kinds held by the custodian in respect to interned persons?

2. Is there an advisory committee to the custodian of enemy property?

3. If so, what are the names of the members of such committee; when were they appointed, and by whom were they appointed?

4. What salary, allowance, fee or other emolument, including travelling expenses, is paid to each member of the advisory committee; and what is the total amount paid to each member since his appointment?

Mr. McLARTY:

1. The value of property of all kinds (including life insurance) held by the custodian in respect to interned persons is $1,185,797.73.

2. No, but from October, 1939, to March, 1940, the Hon. Mr. Justice W. M. Martin of the court of appeal of Saskatchewan acted as special adviser. Mr. Justice Martin was paid an allowance of $15 a day, when absent from his home in connection with this special duty, and actual travelling expenses. The total amount paid to him was living allowance (126 days at $15 per day), $1,890; travelling expenses, $366.35; total, $2,256.35.

3. See answer to 2. Mr. Justice Martin was asked to serve as special adviser by acting custodian, the Right Hon. Ernest Lapointe.

4. Answered by No. 2.

*SASKATCHEWAN EMERGENCY LANDING FIELDS

Mr. PERLEY:

Will the emergency landing fields at Moosomin, Broadview, Wolseley and Indian Head, Saskatchewan, be further developed?

Mr. HOWE: This is a matter dealing with the future, and it would be very hard to answer yes or no. We might decide in 1945 that we would make some addition; so I suggest that it be dropped.

Mr. PERLEY: Nothing in the near future, then?

Mr. HOWE: I cannot say.

UNEMPLOYMENT INSURANCE

Mr. ESLING:

1. Since the Unemployment Insurance Act became operative on July 1, 1941, how much has been placed in the consolidated revenue fund as a result of contributions under this act by employees, employers and the government?

2. How much of this money has been invested by the government and in what securities?

3. As at December 31, 1941, how many employees came under the operation of the Unemployment Insurance Act?

4. In the event of an employee enlisting before having made the 180 payments which entitle him to benefit, is there a refund of payments to the employee and the employer?

Mr. McLARTY:

1. Gross combined employers' and employees' contributions, $31,964,958.79; government's contribution, $6,389,431.91; total, $38,354,390.70.

2. The cost price of the invested principal at present held for the fund (invested entirely in Dominion of Canada bonds), $38,031,177.51.

3. Up to December 31, 1941, approximately 2,200,000 books had been issued to persons working in insured employment.

4. No.

*RADIO BROADCASTING—MADAME PIERRE F. CASGRAIN

Mr. ROY:

1. Does Madame Pierre F. Casgrain broadcast over the C.B.C. for the Department of National Defence or for the war services of the Department of Finance?

2. If so, what sums has she been paid for such services since the 1st of January, 1941, to date?

Mr. RALSTON: Mr. Speaker, so far as the Department of National Defence is concerned the answer to the first question is no, and the answer to the second is, none.

Mr. ROY:

1. Is Madame Pierre Casgrain in charge of, or does she take part in any of the broadcasting programmes of the C.B.C.?

2. If so, (a) what is the nature of these programmes; (b) what remuneration does she receive for each one; (c) how much has been paid to her by the C.B.C. for all services from January 1, 1941, to date?

Mr. THORSON:

1. Yes.

2. (a) (i) "Femina", a 30-minute weekly programme devoted to women's interests.

(ii) News of women's activities—15 minutes five times a week.

(b) Nil.

(c) Nil.

*ASSISTANCE TO MEDICAL STUDENTS JOINING H.M. FORCES

Mr. CHURCH:

1. What action has the government taken regarding the application made by the medical faculties of Canadian universities for some direct assistance to those medical students who are entering the medical branches of His Majesty's forces?

2. What representations have been made, by whom and for how many students?

Mr. RALSTON: I should like to make a verbal answer to this question, because it gives me an opportunity to make a statement with regard to the question of policy in assisting medical students who intend to enlist in the armed services. With regard to part 1 of the question, it is estimated that the armed services will, during the ensuing fiscal year, require probably 800 medical officers, of which 50 will be needed by the navy, 600 by the army and 150 by the air force. As a matter of fact the army could take on almost at once probably 150 medical officers; and the air force, I am informed, probably 75 to 100. These requirements are being brought to the attention of the medical profession throughout Canada and the Canadian Medical Association is cooperating by sending out a questionnaire to all members of the profession.

I come now to the direct answer to my hon. friend's question. In order to assist in increasing the future supply of medical officers for the armed forces the medical services of the navy, army and air are cooperating in a scheme designed to aid worthy students of medicine who propose to enlist. This arrangement is the result of a thorough study of the medical needs of the armed forces, and has been proposed after consultation with the medical faculties of the universities throughout Canada. Briefly the scheme is as follows.

The universities will be asked to accelerate their courses, while maintaining the same standard of training, by reducing the normal summer vacation periods to a minimum. In this way a student will be able to cover his full course in a considerably shorter period. By this acceleration of courses students will be debarred from earning in the long summer vacation. The plan is designed to make up for this loss of income. It is proposed that the armed services will enlist students at any time during the two final years before they qualify for a licence to practice. They will thus, during this period, become members of the armed forces and will then be granted leave with pay and subsistence allowance which will enable them to complete their courses and to obtain a licence to practise.

This assistance to medical students who intend to join the armed forces will be supplemented by the Department of Labour, in cooperation with the provincial governments, by extending the present system of scholarships. These scholarships, up to a maximum of perhaps $300 per year, will also be open to other worthy students who because of the acceleration of the courses will be deprived of the opportunity to earn during what would be the normal vacation period.

The students who will be eligible for these scholarships will be those who are in need of such assistance, who possess good academic standing and who give satisfactory assurance to serve in the national war effort in the capacity in which they have been trained.

There will also be some expenditure involved in connection with additional costs to universities on account of the accelerated courses.

The Department of Labour is now in correspondence with the provincial governments with a view to enlisting their cooperation in implementing this extended plan. I may say the provincial governments, or at least some of them, have already cooperated in connection with the plan for scholarships, which is already in force.

In the result, medical students who intend to join the armed forces will, after the first year, receive assistance from the Department of Labour, in cooperation with the provincial governments, by way of scholarships, during the earlier years of their courses, and during the last two years they will receive pay and subsistence allowance as duly enlisted members of the armed forces.

That is the answer to the first part of the question. The second part of the question is:

What representations have been made, by whom and for how many students?

I would point out that we have received representations from Doctor Cody, the university of Toronto; Doctor James, of McGill university; Doctor Harvey Agnew, of the Canadian Medical Association; Mr. Edward B. Campbell, Chairman of the Canadian Association of Medical Students and Internes, of the university of Toronto; Doctor J. C. Meakins, of McGill university; Doctor Stanley C. Best, of the Medical Society, university of Toronto; Mr. Robert T. Noble, of the College of Physicians and Surgeons of Ontario, and Doctor Deadman, of Hamilton. There may have been other representations, but those are all that have been called to my attention.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CANADIAN NATIONAL RAILWAYS—MONTREAL TERMINAL

Mr. O'BRIEN:

1. What are the contemplated total requirements of, (a) copper, (b) brass, (c) aluminum, needed for the new Canadian National Railway depot at Montreal?
2. Is the new Canadian National Railway depot at Montreal to have authorization releasing copper for the roof?
3. If so, in what quantity?

GRAIN ELEVATORS

Mr. DIEFENBAKER:

1. What is the location of and the capacity of each of the interior or terminal grain elevators owned or otherwise controlled by the government of Canada whether in Canada or the United States?
2. Which of said elevators have been leased to private corporations or individuals?
3. What was the actual amount paid by each to the government as rental by each of the lessees thereof during the years (a) 1940, and (b) 1941?
4. What is the amount paid to each of the said lessees for wheat or other grain storage during each of the said years by, (a) the government of Canada directly or indirectly; (b) the Canadian wheat board?

DOLLAR-A-YEAR MEN

Mr. ROY:

1. How many one dollar-a-year men are actually in the employment of the government?
2. What are their names, qualifications and addresses, and on what date was each one appointed?
3. For what firm or companies did each one work before entering the service of the government?
4. Which of them still work for these firms or companies?
5. Have any of such firms or companies received contracts from the government?
6. If so, on what date or dates and for what amount in each case?

WAR APPROPRIATION BILL

PROVISION FOR GRANTING TO HIS MAJESTY AID FOR NATIONAL DEFENCE AND SECURITY—INTERIM APPROPRIATION

Hon. J. L. ILSLEY (Minister of Finance) moved that the house go into committee at the next sitting to consider the following resolution:

Resolved, that it is expedient to introduce a measure to provide that a sum not exceeding $500,000,000 be granted to his majesty towards defraying any expenses or making any advances or loans that may be incurred or granted by or under the authority of the governor in council during the year ending the thirty-first day of March, 1943, for the purposes and subject to the terms, conditions and limitations set out in the resolution to provide that sums not exceeding $2,000,000,000 be granted to his majesty, which resolution was referred to the committee of the whole on the 17th of March, 1942; and being one-fourth of the said amount of $2,000,000,000.

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.

RADIO BROADCASTING

CHANGE IN PERSONNEL IN SPECIAL COMMITTEE

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That the name of Mr. Ross (St. Paul's) be substituted for that of Mr. Bence on the select committee on radio broadcasting.

Motion agreed to.

ALASKA HIGHWAY

ROUTE FROM EDMONTON TO FORT ST. JOHN

On the orders of the day:

Mr. J. R. MacNICOL (Davenport): Mr. Speaker, I should like to ask the Prime Minister if he is now in a position to answer the question I asked on the sixth instant about the Alaska highway. In the agreement between the United States and Canada tabled yesterday there is no answer to that question. I should like to ask the Prime Minister how the road from Edmonton, on the south, is to reach Fort St. John. There is only one bridge across the Peace river, and that is at the town of Peace River. Is the road to go over that bridge?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I must apologize to my hon. friend, because I quite forgot about his question. However I shall look into the matter. I do not know whether or not I shall be able to enlighten him, but I shall get the best information I can.

PRIVILEGE—MR. FAUTEUX

REFERENCE TO STATEMENT OF MR. LACOMBE IN DEBATE ON MARCH 16

Mr. GASPARD FAUTEUX (St. Mary): Mr. Speaker, on March 16 the hon. member for Laval-Two Mountains (Mr. Lacombe) made a statement in the House of Commons against which I wish to protest. With your permission I shall read the statement as it appears on page 1322 of *Hansard:*

> The people will understand now why the government of Quebec, placed as is the federal administration under the thumb of high finance, has mobilized its millionaire friends, its election parasites, its vote "telegraphers" from Montreal and Quebec to steal the recent Quebec East and Montreal-St. Mary contests.

I think, Mr. Speaker, —

Some hon. MEMBERS: Order.

Mr. SPEAKER: I understand the hon. member to say he was rising to a question of privilege either with respect to himself or to the house.

An hon. MEMBER: He is the hon. member for St. Mary.

Mr. SPEAKER: So far as the hon. member has gone, I have not noticed any question of privilege. Of course I do not know what he will read subsequently.

Mr. FAUTEUX: The hon. member for Laval-Two Mountains has said the election in Montreal-St. Mary riding was stolen. As the representative of that constituency I am keenly interested.

Mr. LACOMBE: Mr. Speaker—

Some hon. MEMBERS: Sit down.

Mr. LACOMBE: I rise to a point of order.

An hon. MEMBER: There is no point of order.

Mr. LACOMBE: I rise to a point of order.

Some hon. MEMBERS: No.

Mr. LACOMBE: Mr. Speaker, standing order 36 is as follows:

> If anything shall come in question touching the conduct of any member, or his election, or his right to hold his seat, he may make a statement and shall withdraw during the time the matter is in debate.

I ask the hon. member to withdraw during the time the matter is in debate.

An hon. MEMBER: He has not made a statement.

Mr. LACOMBE: He has made a statement.

Mr. SPEAKER: The hon. member can hardly withdraw before he has made a statement. The hon. member will please continue.

[Mr. Mackenzie King.]

Mr. LACOMBE: I rise to a point of order. The hon. member has made a statement.

Mr. SPEAKER: I did not hear what the hon. member said.

Mr. FAUTEUX: I said that the declaration and the accusation of the hon. member for Laval-Two Mountains are absolutely unjustified. He is accusing the provincial Liberal party of having stolen the election in St. Mary, when he should know, as everybody in my constituency knows, that I did not have any help from the Liberal organization of Montreal.

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order. I would ask the hon. member not to introduce controversial matters into a denial of statements that have been made by the hon. member for Laval-Two Mountains. He is entitled to deny any statement that was made by the hon. member for Laval-Two Mountains, but he is not entitled to enter into an argument to justify his statement.

Mr. FAUTEUX: I am referring to the speech of the hon. member for Laval-Two Mountains in which he said that the election was stolen in my county. It is very disagreeable to be obliged to talk about this matter, but I believe it is my duty to justify myself as well as my electors. I believe if the hon. member for Laval-Two Mountains knew the facts he would be the first one to say that this statement is unjustified.

Mr. LACOMBE: Absolutely, no.

Mr. FAUTEUX: Only last Monday Mr. Périard went to the Liberal organization in Montreal and offered his services—

Mr. LACOMBE: I rise to a point of order.

Mr. SPEAKER: Order, please.

Mr. LACOMBE: I ask that the hon. member—

An hon. MEMBER: Too late.

Some hon. MEMBERS: Order.

Mr. LACOMBE: —withdraw immediately.

Mr. SPEAKER: Order. I understand that the hon. member has completed his statement on the question of privilege. There is no debate upon a question of privilege. The matter is now closed.

Mr. LACOMBE: Mr. Speaker, standing order 36 reads:

> If anything shall come in question touching the conduct of any member, or his election, or his right to hold his seat, he may make a statement and then shall withdraw during the time the matter is in debate.

I ask that the hon. member withdraw from this house.

Mr. SPEAKER: Order. The hon. member need not withdraw. There is no debate on this matter.

Mr. LACOMBE: I want to make a debate on this question raised by the hon. member.

Mr. SPEAKER: I ask the hon. member to take his seat. The hon. member for St. Mary is entitled to make a statement on the question of privilege and he has done so. There is no debate.

Mr. HANSELL: I rise to a point of order. Standing order 36—

An hon. MEMBER: Too late.

Mr. HANSELL: It is not too late; I have the floor. Standing order 36 reads:

If anything shall come in question touching the conduct of any member,—

I claim that the member has risen on a question of privilege which is involved in the term, "if anything shall come in question touching the conduct of any member." The standing order continues:

—or his election, or his right to hold his seat, he may make a statement—

Which the hon. gentleman has done—

—and then shall withdraw during the time the matter is in debate.

Mr. SPEAKER: The hon. member is referring to the rules of the house which deal with the conduct of an hon. member. There is nothing before the house regarding the conduct of the hon. member; there is only the question of privilege in regard to an election that was held in Montreal.

Mr. LACOMBE: I rise to a point of order. It is not only the conduct of the hon. member, but the conduct of this election.

Some hon. MEMBERS: Order.

Mr. SPEAKER: The hon. member cannot raise a point of order on a point of order. The point of order has been taken already and it has been ruled upon; therefore that is the end of it.

INQUIRY OF THE MINISTRY

PROCEDURE WITH RESPECT TO QUESTIONS ON THE ORDERS OF THE DAY

On the orders of the day:

Mr. W. J. WARD (Dauphin): I should like to direct a question to the Secretary of State (Mr. McLarty), which is based upon a resolution which I have received from the Roblin branch of the Canadian legion. The resolution reads—

Some hon. MEMBERS: Order.

Mr. SPEAKER: I assume that the question the hon. member is now proposing to ask is the same as the question that I ruled out of order yesterday, stating that it would have to be placed upon the order paper. Is that not so?

Mr. WARD: Yes.

Mr. SPEAKER: I cannot allow it to be asked to-day.

Mr. WARD: On a question of privilege. After all, this question—

Some hon. MEMBERS: Order.

Mr. SPEAKER: Yesterday I asked the hon. member if he could say that this was a matter affecting the privileges of the house, and he said he could not. The hon. member now informs me that he is endeavouring to ask, on a point of privilege, the same question that I ruled out of order yesterday. The position now is the same as it was then, and the hon. member should not proceed with the matter on the orders of the day.

WAR APPROPRIATION

UNITED KINGDOM FINANCING—WAR SUPPLIES, FOOD AND LOAN WITHOUT INTEREST

The house resumed from Wednesday, March 18, consideration of the motion of Mr. Ilsley that the house go into committee on a resolution to provide for granting to His Majesty sums not exceeding $1,000,000,000 to assist in enabling the government of the United Kingdom to defray expenditures incurred in Canada for war purposes, and to provide for a loan to the government of the United Kingdom of $700,000,000 without interest.

Mr. VICTOR QUELCH (Acadia): Mr. Speaker, just before adjournment yesterday I was pointing out that this group was wholeheartedly behind the proposal to give to Great Britain one billion dollars' worth of goods. Moreover, I urged that this should be carried further so that there might be an agreement between the allied nations under which their total resources would be put into a common pool for a united effort without incurring debt as between themselves. I justified this proposal on moral grounds, and I stressed the fact that to carry it out in the most equitable way possible it would be essential for each one of these nations to maintain its production at a maximum level, to curtail all non-essential services and to be satisfied to endure a standard of living no more than sufficient to ensure its people a state of health and efficiency.

This proposal is merely an extension to an international basis of what we have been

advocating on a national basis. We have urged in the past, and we still urge to-day, that the dominion government should be given the credit to finance its war expenditures without incurring debt, and to drain off any surplus purchasing power through taxation rather than by the sale of bonds.

Under the proposal before the house we are giving to Britain a credit of one billion dollars to buy Canadian goods, but to-day we are not draining off the total amount of purchasing power by taxation but are using to a large extent public issues of bonds. However, we realize that the government is not supporting this proposal on moral grounds.

Under the present system the repayment of large war debts embarrasses both the creditor nation and the impoverished debtor nation. What appears to be worrying the Minister of Finance is how if we become a great creditor nation will the people of Canada be able to buy the goods accepted in payment of war debts. It never seems to enter the minister's head that the people of Canada could be given a credit to buy these goods in just exactly the same way as we are making a credit available to Britain for this billion dollars' worth of goods. Under a balanced economy, one in which the physical demand of the people was made effective against the total production of the country, this would be no problem. As a matter of fact it would be regarded as a great blessing. It would be merely a question of making the physical demand of the people effective against the production of the country. This might be done, if there were unemployed, by instituting large-scale public works projects, by increasing the amount of old age pensions, and by paying pensions to people who were physically incapacitated. Or, on the other hand, it could be accomplished by putting into operation a price discount on the sale of goods in exactly the same way as to-day we apply the sales tax for the opposite purpose.

While we support the principle of giving these goods to Britain we are not in accord with all the provisions of this resolution. I shall leave clauses 2 and 3 of the resolution to discuss at the committee stage, but I want now to refer to clause 4, which reads:

> 4. That the governor in council be empowered to raise by way of loan under the provisions of the Consolidated Revenue and Audit Act, 1931, such sum or sums of money not exceeding in the whole the sum of one thousand million dollars ($1,000,000,000) as may be required for the purpose of defraying the expenditures and making the purchases referred to herein, the principal and interest of any such loan to be a charge upon and payable out of the consolidated revenue fund.

[Mr. Quelch.]

We are opposed to the general principle of that clause. We believe in the principle of financing the war without incurring debt. We believe, and the minister himself has admitted time and again in this house, that the real cost of a war is met while the war is being fought, met by the loss of lives and the destruction of property and war materials. We cannot see why, if the real cost of the war is met during the war, we should allow any financial costs to be left to be paid afterwards. In other words, we are saying that we want to have the right to consume goods during the war but we also want the right to issue claims against future generations for the payment of these goods. We maintain to-day, and we have maintained consistently since the declaration of war, that if people can go through the war maintaining a decent standard of living and come out of it no worse off than they were at the start, they should consider themselves indeed lucky. It would be advisable, no doubt, to allow the purchase of a limited number of interest-free war savings certificates so that people may be allowed to put aside a certain amount of money to take care of certain eventualities; in other words, put aside a little for a rainy day. Therefore we urge again that to the extent that taxation and the sale of interest-free war savings certificates fail to meet the government's expenditures the services of the Bank of Canada should be utilized. When I say that, I do not use the expression "interest-free", because it makes little or no difference what the rate of interest in that case would be, because all profits of the Bank of Canada come back to the people and therefore the interest charges also come back after all expenses are met. I maintain that under such a proposal there would actually be far less danger of inflation than under the present method, because the Minister of Finance has admitted that fundamentally the main reason for taxation and the sale of bonds is to curtail the spending of the people, to withdraw money from circulation.

What actually happens when bonds are sold? You may see high-pressure salesmen persuading people to buy bonds who in reality are not in a position to buy them, and the result is that within a short space of time a certain number of these bonds are resold to the chartered banks. When these bonds are sold to the banks, the banks create the money with which to buy them, so that the very purpose which the government is trying to accomplish by selling bonds is defeated by the chartered banks in creating that new money.

Not only that, but in the 1941 victory loan campaign $135,000,000 was created by the chartered banks for the purpose of lending

to people to buy bonds. There you have, on the one hand, the government selling bonds in order to withdraw money from circulation, and on the other hand, you have the chartered banks creating $135,000,000 of new money with which to buy those bonds, thereby defeating the very thing the government is trying to do. As time goes on, undoubtedly more and more of these bonds will be sold to the chartered banks, which in effect will be inflationary.

On the other hand, if you were financing this war on a true pay-as-you-go basis, withdrawing all surplus purchasing power from circulation by taxation, it would not be possible for the chartered banks to expand the amount of money in circulation by the purchase of bonds from the people.

In closing, I should like to say that we do appreciate the fact that step by step the government is being compelled to recognize the soundness of so many of the things which we have been advocating in the past. For instance, consistently from 1935 to 1939 we propounded the principle that anything that is physically possible and desirable should be made financially possible. To-day nobody would dispute that principle, which was ridiculed time and again during those five years. To-day, however, the government never misses an opportunity of emphasizing the fact that no financial restrictions of any kind whatsoever shall be allowed to impede our war effort. I only hope for the benefit of the people of Canada as a whole that the government will continue that policy after the war and tell the people then that no financial restrictions of any kind whatsoever shall be allowed to impede our peace effort. But already, I am afraid, we are being told by people in high places that when the war ends the screws will be put on and people must be prepared to tighten their belts and cash in on their war savings certificates to provide the money to take them through the depression which many people seem to think s inevitable after the war.

Another thing we advocated time and again was that when there is a condition of unemployment it is possible to have a creation of money for the purpose of providing full employment by a further expansion of the production of the country; and again we were invariably met with the cry of "inflation". But the very first declaration of the Minister of Finance, then acting minister of finance, in this house when he was discussing the war policy was that there would be monetary expansion for the purpose of providing employment and expanding our resources. If it is sound to have monetary expansion for the purpose of providing full employment in order to develop the resources of the nation at war, surely it should be just as sound to do the same thing in peace, in order to raise the standards of living of the people.

Another point. When we advocated monetary reform in the past we were often accused of supporting something of an inflationary nature. However we always stressed the need for price control. I dealt with this last session. The minister himself ridiculed in past years the idea of price control; yet to-day we have it.

Lastly, as to making goods available to Britain without debt, let me assure the minister that we in this corner will be only too pleased to cooperate with him at any time he finds it necessary or desirable to do those things which we have been advocating consistently in the past.

Hon. J. E. MICHAUD (Minister of Fisheries): Mr. Speaker, may I crave your indulgence for a few moments in order to keep the record straight and, also to alleviate the worry of the leader of the opposition (Mr. Hanson) about the security of Britain because of a statement which I am reported as having made in the city of Quebec on February 7 last. The outburst of the hon. gentleman yesterday does not worry me a bit; in fact, it amuses me. I have known him for many years, and know that he is given to periodic attempts at making purges in his opponents' political camps. In fact I recall that two years ago he started on a rampage to purge the Liberal party of the Prime Minister (Mr. Mackenzie King), and started the campaign with the slogan, "King must go." He carried it on for a while in the House of Commons, but he woke up one morning to find out that he was the one to go and that he himself had been purged of the leadership of his party. I am not at all worried about the purge which he attempted yesterday, but I want to keep the record straight, and I think that the house and, indeed, the hon. gentleman, is entitled to the explanation he asked of me.

The statement I made in Quebec was reported by the Canadian Press on February 9, and was made on the Saturday evening previous, the seventh. The statement, as reported and as placed on *Hansard* yesterday is, so far as I can recall, as accurate a translation as could be made of the words which I used while speaking in the French language. However, they must be taken with the context of the whole speech. I do not accept the interpretation placed upon them by the leader of the opposition. What I did say was this:

> We will have furnished enough provisions and arms by that time to pay off all debts that Canada owed to British capital.

If the house recalls the elaborate and clear statement made yesterday by the Minister of Finance, and reapproaches them in the light of the statements made on January 26 by the Prime Minister with regard to our lease-give proposals to Great Britain, I believe it will be agreed that they justify the conclusion which I drew from these proposals when I was trying to explain them to the electors of Quebec. At this particular meeting I was trying to justify this so-called gift to Britain and the financial proposals which had been made public by the Prime Minister just a few days previously, and to show that they would be not only in the interests of Britain, but in the interests of Canada, of Canadians, and of my listeners.

These proposals were not popular, not merely in that district but among very loyal people in Ontario and all the provinces of Canada.

Mr. HANSON (York-Sunbury): Who?

Mr. MICHAUD: Oh, well, "who"! Among many people, because of the misunderstandings to which the leader of the opposition referred yesterday, and which were so important that the Royal bank review of March had to make reference to these misconceptions which appear to have arisen concerning the policy of the government. I had, as most other hon. members have had, to explain privately the nature of these proposals to various individuals. I had also to explain them publicly and to refute arguments in opposition to them which had been made to me, not only in Ottawa but in many places in Canada, and which were repeated in this campaign. They were to the effect that the government was ruining Canada, was making the country bankrupt by giving $1,000,000,000 to Britain; that it was ridiculous to assert that it was a good transaction for this country, and that the money was not needed by Britain in view of the fact that shortly after this proposal was made Britain turned around and offered to China a loan equal to half the amount which we were giving to Britain. These are the arguments which I was trying to contradict, explain and refute when I drew in my own language the conclusions to which my hon. friend objects.

I stated also, as far as I can recollect, that as a result of these proposals and these transactions, Britain would be owing to Canada alone as much money as the British capitalists had invested in Canada. I think that will be the consequence or the result of the transaction. And, putting it in my own way, I said that that would mean the financial independence of Canada from British capital. I never said or intended to say that it meant the political independence of Canada.

[Mr. Michaud.]

Mr. HANSON (York-Sunbury): I never said that you did.

Mr. MICHAUD: It had no reference to the moral obligations of Canada towards Britain. I used the words "financial independence" to designate the relation in which Canada would be towards British investors in this country after this financial arrangement had been concluded.

Mr. DIEFENBAKER: What is the amount of their investment in Canada?

Mr. ILSLEY: There is a complete equality, just as my hon. friend says, so far as dollar obligations are concerned: $700,000,000 will be owed by Canada to Great Britain and $700,000,000 by Great Britain to Canada.

Mr. HANSON (York-Sunbury): To the rescue.

Mr. MICHAUD: I would not dare use that word for fear I might be attacked for disloyalty, but this is the fact. Now I continue my argument. I said that Canada being independent financially it followed that she would be independent economically. I never said or intended to say that our economic relations with Britain would thereupon cease and discontinue for the future. I meant that it was a logical consequence of the fact of our being economically or financially independent, as I understood it. I said that would be the consequence of the financial proposals. I presume it would be another logical consequence that we should be free to find markets where we wished. Is it not a fact that being financially, economically independent one of another we would be free to enter into relations with and find markets in Britain or to do so wherever we might wish?

An hon. MEMBER: Have we not that right now?

Mr. MICHAUD: I never claimed that we had not that right, but we shall be freer to make such arrangements. I would refer the house to what the Minister of Finance (Mr. Ilsley) said yesterday, as reported at page 1420 of *Hansard*, beginning with the last paragraph at the bottom of the left hand corner:

> The continuance of these purchases and expenditures, however, involves a continuance of the huge deficit of the sterling area in its balance of payments with Canada which must be financed (very largely at least, perhaps wholly) by Canada itself. We have realized for some time that the accumulation of sterling balances which, as I have explained, was the most important method of financing this deficit, was appropriate only as an interim or transitional form of financial assistance. It involved the growing up of what was nominally a demand liability by Britain to Canada, the future of

which was bound to involve uncertainties, particularly as the amount grew far beyond anything which could be repaid by Britain in Canadian dollars except perhaps over a very long period of time. Moreover, the indefinite growth of this obligation, if permitted to continue for years, would have led to the existence after the war of what would be in effect a huge and unmanageable war debt owed by Britain to Canada.

I am sure that hon. members can recall the grave international problems and difficulties which arose in the nineteen-twenties and nineteen-thirties from the huge international war debts which had grown up during and immediately following the last great war. Here it is necessary to emphasize the distinction between a domestic debt and an international debt. Domestic debts involve payments between one person and another in the same country and give rise to no problems of currency and exchange. International debts, on the other hand, can be settled only by the transfer of goods and services from the debtor country to the creditor country. Such transfers can be made, only if and to the extent that the creditor country is prepared to accept goods and services from the debtor country for not only principal repayments but also annual interest charges. In other words, the creditor country must be prepared to see an increase in its imports or a decrease in its exports, or both. Experience has shown that countries will accept these payments in the form of imports only to a limited extent on balance, if at all. To do so, of course, exposes their producers to more intense competition from abroad and the excess of imports serves as a deflationary influence which appears to be unwelcome in normal peace times. On the other hand, the inability of debtor nations to make payment when the creditor nation will not readily accept imported goods and services in payment, is bound to lead to international misunderstandings and frictions. Consequently, there is a practical limit to the amount of international debt which can be satisfactorily carried and repaid, particularly when such debt arises from the economically wasteful processes of war. The experiences of the last twenty-five years are too well known for me to labour this point at greater length.

It is to avoid this situation that the lease-give proposals have been made to Britain and have been accepted. What are the implications of these proposals? They imply that we shall have balanced our indebtedness; that each country will owe to the other as much as the other owes; that there will be no accumulated debt in sterling or accumulated credit in sterling to our account in London so as to compel us, to obligate us to accept in payment goods which might come into conflict and competition with similar goods manufactured in our country. My hon. friend saw that point yesterday and clearly elaborated on it, and in this regard we are agreed. That was why I concluded my argument on the occasion I spoke in Quebec by saying that we should have to avoid purchasing, or that we should no longer have to import, from Britain, things that our own workmen can produce. I meant that instead of making a loan to Britain of so many million dollars in sterling for certain goods, munitions of war, supplies, foodstuffs and so on, instead of asking them to make a deposit of sterling to our credit in London to that extent, we would be better off if we made a free gift of these goods, not being obligated after the war, during the period of post-war construction, to accept goods in payment—and this for the reasons mentioned by those who have already spoken.

The leader of the opposition at page 1427 of *Hansard,* expressed his misapprehension of what might happen if we had to take merchandise in payment of indebtedness to us which had accumulated on the part of Britain. He said:

> The effect of the two operations is not greatly dissimilar for the time being at least. In neither case are we sending actual money.

That is perfectly true, as we are trying to get the Canadian people to understand. We are not sending one billion dollars in dollars to Britain when we make this gift. The money remains in Canada and we are sending goods, munitions, supplies, foodstuffs and so on. The leader of the opposition continues:

> It is retained in Canada and gives employment to Canadians. But, as the minister has pointed out, the real difference will be apparent in the post-war period when the problem of final settlement of all war debts will arise.

And later on:

> Of course I agree that it depends on what kind of goods they are. We must visualize the acceptance of some goods—I am willing to go with the minister that far.

I agree with that; but what I said at Quebec was that after this war we must try to avoid, as far as possible, accepting from other countries goods that can be manufactured in this country, in order that we may give employment to our returned soldiers and our workmen who are now employed in war industries.

Mr. HANSON (York-Sunbury): My hon. friend's leader called that economic nationalism during the 1935 election campaign.

Mr. MICHAUD: Yes. That was a long time ago; since then many things have changed, as many more things will change. Many philosophies and policies will change when the time comes to settle for what is going on in the present conflict.

I have no apology to make and no excuse to offer for what I said. I had before me, as all hon. members had and as the people of this county, had, the Atlantic charter which was signed by Right Hon. Winston Churchill

and President Franklin Roosevelt on August 14, 1941. The fourth paragraph of that charter reads:

They will endeavour, with due respect for their existing obligations, to further the enjoyment by all states, great or small, victor or vanquished, of access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity.

I might also support my statement by the text of the lend-lease pact, signed on February 23, 1942, and also to support the conclusions I drew in the closing portion of my remarks at Quebec city. First let me read part of the first paragraph of the preamble of the lease-lend pact:

Whereas the governments of the United States of America and the United Kingdom of Great Britain and Northern Ireland declare that they are engaged in a cooperative undertaking, together with every other nation or people of like mind, to the end of laying the bases of a just and enduring world peace securing order under law to themselves and all nations . . .

Then I go on to article VII:

In the final determination of the benefits to be provided to the United States of America by the government of the United Kingdom in return for aid furnished under the act of Congress of March 11, 1941, the terms and conditions thereof shall be such as not to burden commerce between the two countries, but to promote advantageous economic relations between them and the betterment of world-wide economic relations. To that end they shall include provision for agreed action by the United States of America and the United Kingdom, open to participation by all other countries of like mind, directed to the expansion, by appropriate international and domestic measures, of production, employment and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other barriers; and, in general, to the attainment of the economic objectives set forth in the joint declaration made on August 12, 1941, by the president of the United States of America and the prime minister of the United Kingdom.

I submit, therefore, Mr. Speaker, that I was amply justified in making the statement I did make on the occasion in question; and I think the leader of the opposition was not at all justified in trying to have me "sacked" from the government for making it. Knowing the hon. gentleman as I do, I anticipate that it was not the security of Britain with which he was concerned yesterday so much as the electors down in New Brunswick.

Mr. HANSON (York-Sunbury): Both.

Mr. MICHAUD: I think more particularly the electors in New Brunswick. But if it was his intention to impugn or cast any reflection upon my loyalty or patriotism, I must say that I have no lesson to learn from him in loyalty, and I will take none. I think that should suffice for the time being. I have always made it my purpose, more particularly during this war, to serve as best I could; and my loyalty is just as real, just as complete and at times just as heart-burning as his. It may not always be as pharisaical as his; nevertheless it is as real and sincere.

Mr. ROSS (Souris): If the minister would permit a question, he was reported in the same press dispatch to have said that the Prime Minister was endeavouring to find a happy medium whereby we could prosecute the war at the present time. How about that?

Mr. MICHAUD: I never made any such statement.

Mr. ROSS (Souris): It was so reported in the press at the time.

Mr. MICHAUD: Then if it was so reported, that portion of the report was not accurate. The other was.

Mr. HANSON (York-Sunbury): I wonder if it is in order to call me a pharisee. I am not particular myself, but in order to keep the record straight—especially with reference to the agitation of the Minister of National Defence (Mr. Ralston)—I must rise now to a point of order and privilege and ask that this remark be stricken from the record. I am not a pharisee.

Mr. SPEAKER: I entirely agree, and I think the remark should be withdrawn.

Mr. MICHAUD: I withdraw the word, and substitute "ostentatious" or "vociferous," whichever word is acceptable to the hon. gentleman.

Now, by way of conclusion, I wish to repeat what I have said privately and publicly, outside this house, that this proposal of a gift of a billion dollars' worth of munitions, war supplies and foodstuffs to Britain is simply a contribution by Canada to the general war effort, which we should be proud to make and proud to be able to make under the present circumstances. Not only will it react to the benefit of our senior partner, Great Britain; it will react to the benefit of Canada herself; and we should have no apology to make and no excuse to offer for this so-called gift. The proposition should be accepted unanimously by all concerned, on all sides of the house, representing all shades of opinion.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I was pleased to see introduced the resolution standing in the name of the Minister of Finance (Mr. Ilsley) respecting the gift to Great Britain. That is one of the most creditable acts, as far as the government is concerned, since the war started. During the last few years before the war when we relied on status and all that, hardly a single member in the front government benches appeared to believe in the British empire.

The resolution refers to the war, and certainly the war overshadows every other subject. Nothing else matters to-day, notwithstanding the fact that we have many domestic problems which have had consideration for almost forty days since the beginning of this session. But those domestic matters amount to nothing; if the war is not won, life will not be worth living in this country.

The resolution is divided into four paragraphs. In my opinion primary matters should come first, and for the remainder of the session we should have a war session. That is what has happened in England. Anyone who will read the English daily *Hansard* will find that from the first to the last of their sessions the discussions have related entirely to war matters. While in England they have many gigantic domestic problems, problems connected with rehabilitation and matters of that kind, the government over there realizes that those matters must wait until after the war.

Notwithstanding what has been said this afternoon by the Minister of Fisheries (Mr. Michaud), on trade and commerce and markets, Canadians know the truth, and they know in their very bones that everything we have in this country in the way of defence, freedom, civilization and liberty we owe to the mother country and to no other agency. We threw away our defences and our friends, with the result that when war broke out we were back to where we were in 1812, in a condition of complete dependence on the mother country for all the protection, security and freedom we enjoy to-day. The hour has now come when the people of Canada and other parts of the empire must decide one great question. They must decide whether Canada will resume its place as one of the senior partners in the empire, and as a senior dominion supporting the mother country in its fight for freedom and salvation of religion and of the world, or whether we shall be content to be blotted out for all time, and content to permit our empire and all it has stood for through the ages to fall, as have other empires in the past. We read about what happened in the days of Greece and Rome, and we must ask ourselves whether we are content to wither away. Heaven forfend that this empire should ever pass away like that, because it is before the world to-day as one of the main, last bulwarks of Christianity, freedom and liberty.

I say this because we must remember that parliamentary institutions were firmly established, for all time after the first meeting of the Reformation parliament. Then two little islands at the edge of Europe leaped up and became a great nation, a pioneer in freedom and civilization and liberty, the world over, with the right to worship God as one pleased. The great growth which has taken place from those days of Elizabeth; the inventions of medicine and science; the development of art and the glory of Elizabethan literature—the growth of all these things was phenomenal. The English bible was translated into many languages the world over. Great Britain became the pioneer, the protector of the weak, as she spread the principle of freedom throughout the world. The new world in America owes her a debt of gratitude they can never repay before God. Since this war began, she stands clearly as the trustee for a better world.

The first paragraph of the resolution deals with the billion dollar belated gift, as it is called, to the mother country. The second paragraph refers to the $700,000,000 Great Britain has now spent on war in many ways in Canada, and provides an exchange rate for refunding at $4.45 to the pound sterling. This sum is to be without interest until the end of the war. The third paragraph gives the governor in council power to purchase some unmatured securities and for the repatriation and refunding of these securities. A guarantee is given, and in my view this is a most commendable form of financial aid to the mother country. The fourth paragraph deals with the financing of the billion dollar gift, and makes provision for the payment of any expenditures on interest.

In his speech the minister referred to that paragraph in the speech from the throne which states:

> You will also be asked, as an integral part of Canada's direct war effort, to approve a contribution to Britain of vast quantities of munitions, foodstuffs and supplies.

In the second paragraph of the resolution the means have been provided. The sum of $700,000,000 for war purposes owed in Canada is mentioned and the rate is given and this debt taken care of. There is a further stipulation that there shall be no interest until

after the termination of the war, and this debt also, I hope, will in time be cancelled as a second gift—it is long overdue.

I was keenly interested in the question raised the other night by the hon. member for Témiscouata (Mr. Pouliot) with respect to the failure of the government of the day to give the country proper information respecting the public war expenditures and the public accounts. That information has been given in the mother country in detail daily to parliament. Over there they have a committee on national expenditures. It meets during the greater part of the year, and through its efforts all expenditures are coordinated, and a huge reduction in capital and maintenance charges made, and a check on every cent spent.

I said back in 1938 that Canada should establish food reservoirs then in the old country to take care of our exportable wheat surplus, something which would have given the mother country, when war broke out, a great advantage and reservoirs there for Canadian canned goods, cheese and other foods and textiles. However, nothing was done about my suggestion, frequently made before the war. The other day my leader referred to what the Hon. H. A. Wallace, Vice-President of the United States, and former secretary of agriculture, had to say in connection with pooling allied food reserves.

The history of courage in this war has been gloriously rewritten on land, on sea and in the air by the wonderful youth of Canada, on active service the world over and on the seven seas, many of whom raced to England to enlist. If we look at the cause and effect in connection with this resolution, we see at once a need for greater coordination and cooperation with Great Britain in new methods of production and man-power to aid her. A billion dollars is said to be a large sum of money, but when in finance you get away up in the sky and in the clouds in figures like that they become so staggering that the larger the sum the less likelihood there is that it will be well spent or that there will be any drastic control over it.

We are entitled to more real information. We are entitled to know the long-range war policy of the government, because since the war started Canada has been given less information than has any other dominion. Certainly we are given less information than are the people of Great Britain. Democracy in Canada cannot be saved by refusing to face facts and by refusing to tell the people the truth, the whole truth, and nothing but the truth about our war effort. As I said here on March 21, 1939, before the war, if the people of Canada and the other dominions are not given the facts; if they are allowed to know only as much as their rulers will permit them to know, then those people are embarking on a course fraught with a financial condition leading in some instances, as it will in Canada, to bankruptcy.

I believe in the wisdom of telling the people the great danger and peril at our very door and gate. In future let us tell them the truth, the whole truth and nothing but the truth about the whole war and about the danger on the Atlantic and Pacific seaboards, and the real facts, building up from the worst of these facts.

Yesterday some reference was made to our sister industrial province of Quebec. I believe one of the desires and the will of the people of Canada from coast to coast is that sooner or later, before the war is over, that great country of France may rise again and be restored to her place for freedom in all history. She was our great ally in the last war, and 4,000 sons of Toronto, who helped to defend her in the last war, are buried there, sleeping their last sleep until the resurrection morning. I hope enough support will be given against the axis powers to restore that great land to the glory it enjoyed in the past history of the world as one of the great democracies.

We in Canada should be a united country from coast to coast. Wolfe and Montcalm lie buried together at Quebec, and the inscription on their monument attests the unity of the races in this country, as described in the motto on their memorials on the Plains of Abraham. Britain and France in the last war fought for a better world and for a better fate than has befallen them. I have always believed in the principles of confederation since I have been in this house—of the old Cornish battle cry of "each for all and all for each." There is no use in our thinking that this is going to be an easy victory. We have no divine right to victory. This is going to be a most difficult, hard and heavy task and we should face that fact before it is too late. Facts are facts, and we should take our lessons from the past. So far we have lost the war and almost every battle; we have had no successes except some in Libya, and one or two others.

The money to be voted by this resolution will help in a small way to restore confidence in the mother country as to what the dominions are doing to aid her in her hour of greatest peril. One thing that makes the vast expenditures under this resolution necessary is the fact that after the great war Great Britain and France, the two great democracies, threw away their defences. Not only did they

throw away their defences, they threw away their friends. These two leading nations listened to the pacifists and those who pleaded that there should be friendship for Germany, that country which has put 20,000,000 men, by beastly war and savage mechanism, under the sod of Europe in the last three generations. These two great nations, Britain and France, disarmed at great cost, thus causing this war, and now this resolution is necessary in order to help the mother country to save the world and civilization. If the truth were told, Munich was necessary. As I said in the house last year, Munich was necessary because the two great democracies, Great Britain and France, were obliged to buy an armistice on terms which were humiliating because together or singly, Britain and France were in a helpless state and even they were no match for the greatest aggressor of all history, Germany.

That was not Hitler's fault. I suggest that it was the fault of Great Britain because she listened to the babble of the pacifists and decided to disarm, urged on to do so by Canada and the United States. I should like to give all praise to the Prime Minister of Great Britain, Mr. Churchill, who spoke in this chamber only a little over three months ago, with you, sir, presiding so ably. As he said himself the other day, he considers himself a servant of the House of Commons, a child of the House of Commons. If he is a child of the House of Commons, then he is a child who is beloved and respected the world over for what he has done in this emergency after Dunkirk, although he is being blamed to-day because there have been some reverses, as war always brings. History shows that the great Prime Minister Pitt and Napoleon also had reverses. You must expect reverses if you go to war, but Britain and her brave and faithful allies will yet smash the axis powers.

However, something should be done by the government of the day on a greater production effort in Canada. Lord Beaverbrook is to come to Washington shortly. As I said the other day, he is a native of Maple, Ontario, although he lived in the maritime provinces nearly all the time he spent in this country. He is a great Canadian, and I think his services and those of Viscount Bennett should be used by this dominion at home and abroad in a total war effort. When Lord Beaverbrook comes to Washington he should be consulted by the Department of Munitions and Supply and come to Ottawa to help us about our production. I think I am fair enough to admit that the government should be given a great deal of credit for what they have done since the war started, especially as they did not believe in war or armaments and all that kind of thing. They believed, with the pacifists, in the League of Nations, disarmament, the Monroe doctrine, the Kellogg and Locarno pacts, collective security and all those pacifist things. It cannot be expected that we would be able to develop an army in a year or so. While our production has been fairly good, it should be three times as large as it is and we shall not have a total war effort until that point is reached.

We are told that our production is to improve, but it may be too late. Hitler seeks to capture the future with what he is doing at the present time. We hope to win the war, but do the opposite by talking of what we will do in 1943. If we are going to do anything about production, we shall have to improve things all along the line. I ask the Minister of Munitions and Supply (Mr. Howe) to bring down a white paper to show us what has been done in the way of production so far, and the long range policy one is out in Britain. We are told that our war production is two or three times as large as that of the last war, but that kind of thing does not mean anything. I submit that the services of Lord Beaverbrook should be sought in this vaster production effort. He should be asked to come to Canada to give us the benefit of his experience. I hope the government will invite him to come here when he arrives in Washington—he was to be here with Mr. Churchill but was sick—and I have no doubt that he will be ready to give this country every assistance.

Shipbuilding should be our first priority. As I pointed out here, two years before the war started, Great Britain had 2,000 fewer ships than she had in 1914, and yet there were 5,000,000 more mouths to feed. Great Britain must import 94 per cent of her foodstuffs and nearly all her raw materials. We made a mistake in the imperial conference of 1937 by not joining New Zealand and Australia in a vast, gigantic empire shipbuilding policy. In 1936, 1937, 1938 and 1939 I urged an empire shipbuilding policy and the opening up of all our old shipbuilding plants to build ships to carry necessary food, munitions, wheat and other supplies to the old land.

I believe that our production has been tremendously increased since the last war. Mr. Churchill told the British House of Commons that Great Britain's production was twice that of the United States. The United States to-day is somewhat in the position of Great Britain after Dunkirk. They were not ready, they were not prepared. Great Britain is doing a wonderful work; her production is going ahead by leaps and bounds. Mr. Churchill has said that England's production is four times greater than it was in 1917.

We are told that ours is twice what it was in the war of 1914. We might as well say, for all the good it will do, that it is a hundred times greater than it was during the Boer war, or a thousand times greater than it was during the battle of Hastings.

Before the war started I contended that there were too many in this house with the Geneva type of mind. Pretty nearly all those on the government benches were of that type of mind, as were nearly all the members of nearly all the parties here. They all believed in such shams as the league, and collective security, which is only collective security for the world with an armed Britain. The Minister of Finance and the minister with the high sounding title, the Minister of National War Services, went over to see the Geneva sittings as Canada's delegates, before the war, and they came back thoroughly imbued with the Geneva idea and lack of vision not to have seen the folly of it all. We thought we could do without an army and a navy and retain our freedom, but how under the rise of Hitler in Germany from 1935 was civilization to be maintained without being armed? Take the example of the great disaster in the Pacific. We let Australia down by not supporting her at the imperial conference of 1937. We should have made a grant to the Singapore base for Pacific protection and adopted the Jellicoe report which called for a vast empire shipbuilding policy, for a naval policy, for the training of 5,000 cadets for the navy in Canada and a naval college, and for the building up of a merchant marine, all urged in 1937 by me. In answer to all the pacifists in and out of this house, I say now to them, quoting from Jeremiah, chapter 37, verse 19:

> Where are now your prophets which prophesied unto you, saying, The king of Babylon shall not come against you, nor against this land?

As we see how close the axis powers now are to our front door on the Atlantic and Pacific, and the war came in September, 1939.

I am not one of those who both in and out of this house preached such pacifism. Hon. gentlemen before the war were entitled to their pacifist views, and while I have criticized pacifism, the whole world was imbued with that idea for years before the war, and especially the democracies, one of which, France, it is too bad to say, went down and out. But I would say this, that if I was one of those who had changed their views on pacifism after the war broke out, I would far rather have come to the House of Commons and sat on the penitent bench and said that such views brought the world to this terror and disaster, and that I had made a grave mistake. I would not now go around Canada, posing as a super-patriot as some of them have been doing. It has taken two months for us to have one word of discussion in the house on our war effort in connection with this resolution to provide money and munitions and food for the mother country. It was the pacifists who caused the war; there is no doubt about that. But for them we would never have had this war and the dislocation and awful disaster of the whole world, and dear knows, no one knows as yet who is going to win the war—nobody knows that fact yet. We had the idea preached to the youth of Canada in schools, state colleges and universities that the profession of arms was demoralizing. The pacifists held that war was wrong, that it was wrong to take life in the defence of one's country; but as a matter of fact they in their taxes were prepared to pay others to join the army and go out and fight when war came and do that very killing act. They did not propose to go to war themselves—oh, no. When war came they would stay home and preach pacifism and say, "now, soldiers, get to the war". Ruskin, himself a man of peace, has spoken about war, and its results in this passage from "The Crown of Wild Olive":

> When I tell you that war is the foundation of all arts, I mean that it is the foundation of all the high virtues and faculties of men. It is very strange to me to discover this; and very dreadful, but I saw it to be quite an undeniable fact. The common notion that peace and the virtues of civil life flourish together, I found to be wholly untenable. Peace and the vices of civil life only flourish together. We talk of peace and learning, and of peace and plenty, and of peace and civilization, but I found those were not the words which the muse of history coupled together; that on her lips the words were—peace and sensuality—peace and selfishness—peace and death. I found, in brief, that all great nations learned their truth of word, and strength of thought in war; that they were nourished in war and wasted by peace; trained by war and betrayed by peace, in a word, that they were born in war and expired in peace.

War in my opinion, Mr. Speaker, will never be abolished in any country of the world until men learn to do their duty to their neighbours much better than they have done in the past. When they do that, war will cease.

There is nothing said in this resolution about two or three matters I want to mention, and one is shipping. How are we going to get these supplies and munitions across the Atlantic ocean? Our great shipping losses have been outlined by Mr. Churchill in the British House of Commons. It is deplorable that the British empire should have suffered the loss of these empire bases off Ireland. It has resulted in the loss of the lives of our brave soldiers and seamen and an awful tonnage. If we had not had these bases in the last war we should have

lost that war, and in view of their importance I urge upon the government that something be done to acquire them now or force their acquisition at once.

We are spending nearly $4,000,000 a day on the war, and yet there is hardly one item of war expenditure in the public accounts. Part of that $4,000,000 is being spent by all the various outside bureaucratic control boards and commissions. Does the auditor general audit the accounts of each of these boards in detail? No. Then what check or audit is there upon them, and by whom, as they spend money like water, uncontrolled. Will the government consider the appointment of a select committee of the house on national expenditure, as they have done in Britain? The committee in Britain has done a great deal of good. But the committee on war expenditure here, on which $25,000 was spent, did not find out anything because the first motion they passed was that they should not inquire into past expenditures. They reported here and their report is in the archives. Sooner or later the House of Commons will have to see that they recover at once control over every cent of these huge expenditures.

This resolution also shows the necessity for an empire war cabinet. The war is now all over the Pacific, north and south. Japan is roaming around 15,000 miles there and has the absolute command of the sea. She has submarines which can cross the Pacific without refueling. If you had a million men, as Mr. Churchill said, you could do nothing at all in the Pacific because Japan is moving around all these islands in the Pacific, north and south, and around Australia like a circus and nobody knows which will be attacked next. So I urge upon the government that something be done about a war cabinet to get a united war control and union and empire cooperation at once.

In England a civil war was fought for nearly one hundred years before parliament acquired control of public expenditures, but in this country we lost that control as soon as the war started. These outside boards and commissions can spend what money they like. A bureaucratic form of government has been set up and some 25,000 orders in council have been passed—and parliament meeting here exercises no control over public expenditure. You can hardly find an item in the public accounts that relates to the war. Parliamentary control is a myth. The public accounts committee should be meeting, and should be broadened into a committee on national expenditure as they have in England, which has saved the taxpayers millions of pounds by coordinating expenditures. Such a committee should go into details of all ministers' expenditures such, for instance, as the rates of pay of soldiers. They are most inequitable, and that question should certainly come before such a committee at once, and rates of pay be adjusted. In Great Britain the audit committee has effected great economies, and it would be a great help to the Minister of Finance here to have such a committee examine into government expenditure and apply the big stick of retrenchment. In my opinion the minister is taking too much money out of the taxpayers' pockets, and a large amount is going to be expended under this resolution in refunding operations. Half of the war expenditure does not help beat Hitler at all. Most of the expenditures under the other $2,000,000,000 resolution have already been made and all we can do is to conduct a post mortem on the one or two larger resolutions. We just sit here like a lot of coroners or undertakers inquiring into what has been done in the past, expenditures made over which we had no control and cannot reduce a dollar. Bureaucrats have issued countless orders and spent a huge amount of money to be provided by the taxpayers without parliament having any control over the expenditure or even knowing one iota about them. It is a farce. In my opinion this House of Commons will be open to criticism by history and it will be held up as a reproach to Canada and to this parliament that we sat here and exercised no control over expenditure whatever, if we do not at once take action along that line to force a showdown on it.

Let us not be unmindful of our great heritage as the senior dominion. We have neglected to take the simple precaution of training the youth of Canada to defend their country on land and sea and in the air, which is the first principle of preservation of any democratic country.

I charge the lack of support in 1937 of these things to the account of the government. At the imperial conference the government did nothing in behalf of the tie that binds Canada to the rest of the empire, namely the British navy and merchant marine. We did nothing to promote the building of ships or the putting of the merchant marine on a proper basis.

The authors of the empire trade agreements in 1930-32 conferred a great benefit on this country. Britain has always been our best customer. Other customers come and go but she stays on forever. I have read *Hansard* since the war started, and, except for the text of this one resolution now before the chair, I have yet to discover in it an iota of praise to the mother country for all she has done for us. She has saved us in Canada from the axis powers and has enabled the vast majority of

our youth to proceed with their daily avocations and indulge in their amusements and soprts as though there was no war at all. I am not objecting to their doing so, but their first duty is to their country, and they will live to regret what they are doing. What I object to is that our country is not half appreciative enough to the motherland for the British fleet and the Royal Air Force, but for which we would have been invaded long ago, and the enemy would have come up the St. Lawrence, through the maritimes, the central provinces, the prairies and the west and arrived on the Pacific coast. Not only Canada, but all America owes Britain a debt of gratitude that they can never repay. It is too bad that the Anglophobia so frequently expressed from outside in the press and on the radio is still as before the war, allowed to continue and function. Nothing has done more to kill recruiting.

By this vote we can thank the mother country for giving us, before and during this war, freedom of speech, freedom of religion, freedom of thought, freedom from fear, from famine and from battle, and also from the immediate murder and sudden death which the axis powers would have caused us. We do not half show our appreciation of all this. If Canadians would only stop, halt, listen and think, they would know that but for Britain we would have endured, for nearly two and a half years past, the mechanized hordes of the axis powers with all their savagery, brutality and tyranny. They would have swept through Canada and enslaved us, and we would have had to endure the same treatment as the small countries and larger ones of Europe—the concentration camps, the loudspeaker, the spies, the tramping of feet, the sergeant-major, the gestapo, the whips, the spirit of barbarism, brutality and savagery. But for Britain we on this continent would have been compelled to endure these experiences long ago, while Canada fails to awake and has a policy of everything as usual.

In my opinion there have been too many big stick methods in connection with the government's effort. They use a lot of controllers. The air we breathe is about the only thing that is not under control. These controllers are continually making speeches and radio addresses threatening the tightening of belts, employing other big-stick material, and fastening upon us three or four times as many regulations as they have in Great Britain.

As I understand it, all of us in this house are outright in favour of the war; but I do not think it is fair for any group in this chamber or outside it to use the war for the purpose of discussing their socialistic proposals on domestic questions—the function of money, the basis of credit and that kind of thing.

[Mr. Church.]

Surely we can wait until the war is over before taking up these matters. Personally I believe in certain economic conservative principles; I do not favour socialist leadership or the creation of a great national payroll, nor do I believe, with the present peril confronting us, the prosecution of the war should be used to put over all sorts of socialist doctrines, to change the functions of money and alter the basis of trade although I believe in sound money brought up to date for changed conditions. I believe in the right to hold private property. I believe that, even after war, the principle of private ownership will prevail—a principle so strongly held in the days of Macdonald and Laurier, when everybody owned some private property; it might have been only a cow, a small mill, a little store, a small farm or a little shop or industry of some kind. We have been slow to see how all this is passing away in Canada and how the people are becoming proletarians. But I strongly favour the postponement of discussions on these matters until after the war. The right of a small, independent business man to hold private property is derived from nature, not from man, and the state has no right to abolish it, but only to regulate its use. Parliament should abolish half these bureaucrats and not competitive business.

I believe that the Conservative party derives its strongest support from the working classes. We have received the votes of working men and trades unionists, because we believe in protecting industry, the farmer, and labour, and in preserving our own work for our own workmen, our own markets for our own products.

I suggest that a bill be introduced in this house similar to one which passed the British House of Commons on February 17 of this year, to restore pre-war trade practices so that business will know where it stands and can function as formerly. It seems to me that our present policy in Canada now is, "never were there so many who knew so little about so much." That is bureaucratic control for you. That is the principle on which these boards and their controllers are acting. We should beware of this hidden agency of aggression before it is too late; it is one of the things we are fighting against in this war, and the extension of this system not only adds to the burdens of the minister in financing the war but will handicap him when it is over, and ruin all competitive business, great and small, with so many artificial barriers and burdens.

It is a staggering reflection that, for all the blue books and statements relating to parliamentary government and returns, and our public accounts, nobody knows from day to

day how many bureaucrats are carried on the public payrolls or what they are costing the country. When hon. members ask questions they cannot obtain such information, because the figures are not there, and the treasury cannot give them because they don't know as it is done over their heads. The figures given here to-day are wrong for to-morrow. It is too bad that so much money has been spent over the heads of the taxpayers and their representatives in the House of Commons, who have no say or control.

In conclusion, I suggest that a committee on public accounts should be appointed. I should like to see a levelling up of existing inequalities in the pay of our fighting men on land, on the sea and in the air. I believe that if all hon. members had copies of the rates of pay and allowances and realized the inequalities which are shown in them, there would be a sensation. I hope something will be done to remedy this state of things, and force an immediate inquiry into the pay and allowances of our officers and especially the rank and file of our men and also the women's army.

Mr. PAUL MARTIN (Essex East): In rising to make a few observations, I think that the house will agree, after hearing the speech of the Minister of Fisheries (Mr. Michaud) this afternoon, that he was yesterday put by the leader of the opposition (Mr. Hanson) in an unfair light. The leader of the opposition took certain isolated sentences from a speech made by the minister in the city of Quebec and did not relate those observations to the context or to what the minister had in mind. This proposal cannot be looked upon in a narrow sense. It is one which requires a good bit of explanation, particularly in certain sections of Canada—not only in one—and that is exactly what the Minister of Fisheries was trying to do—to indicate, in quarters where there has already been expressed some opposition to this measure, the reasons for it. I think that, having in mind that there was really a common interest between the minister and the leader of the opposition, on reflection the latter might be prepared to regard the minister's contribution as one that deserves commendation, and not the censure which he gave it. Because the fact is that in many parts of Canada the man on the street, as well as the magnates of finance, have expressed some doubt about the wisdom of this proposal, largely because it has not been viewed in its proper perspective.

What is the proposal which the Minister of Finance (Mr. Ilsley) has sought to embody in this resolution? It is to provide Britain with an opportunity of meeting her scarcity or shortage of Canadian dollars by supplying, without charge or obligation, munitions of war, raw materials and foodstuffs up to the value of $1,000,000,000. As the leader of the opposition said yesterday, there is involved no transfer of money but simply a transfer of goods. How anyone, in the light of the situation in the world to-day, when our smugness of a former day must be dissipated, could oppose this measure, I say frankly I fail to understand—not simply because this is a gift to Britain, not simply because we are giving financial assistance to Britain in a common cause, though that in itself would be a reason for supporting it, but because in view of our experience during the last twenty years, this, since the occurrence of the present war, is the first real statesmanlike endeavour to meet the whole problem of international debt and international obligation.

Every member of this house will recall the period between 1921 and 1928 when the debtor nations found themselves in the ridiculous position of paying back their debts with money which they acquired by way of loans from their creditors; how Germany was able to pay her reparations, thanks to huge extensions of credit by the United States, her main creditor; how Britain, who received moneys by way of reparations from Germany, was able to pay part of her obligation to the United States out of money which she received from Germany, which in turn had come from the United States. That ridiculous tripartite arrangement provoked every man who had given any serious thought to these problems to consider the necessity of putting the whole problem of international debt in its proper perspective. The exclusive policy of certain countries in the period between 1921 and 1928, which refused to have these obligations paid in terms of goods and services, let alone in terms of currency, created a situation which led to that dismal period between 1930 and 1935.

I for one am therefore prepared to support this proposal on two grounds: First, because if we are going to win this war it will be necessary for all of us to look upon this matter in the light of a common obligation, in the light of the need of pooling our resources and the abandonment of our national and sectional interests; secondly, because the Minister of Finance in this proposal has given leadership not only to our own country but to all the nations of the world and in particular to those who will hold a creditor position when the war is over. That is one aspect of the problem. It seems to me, however, that the problem has another serious aspect. This is assistance to Britain; but Britain is not our only ally. The war has now reached many fronts, and if we are truly the arsenal of democracy, sharing that position

with Britain and the United States, there comes into mind the whole question of priorities in war production and its distribution. Is this aid to go to only one quarter? Is everything we produce to go to Britain alone? Is it simply to go to Britain and Russia? How can we, in view of the fact that we are a Pacific power as well as an Atlantic power, ignore our obligations to our sister dominion, Australia, who at this time is faced with perhaps a nearer danger than any other country in the world?

We know what the news is in the press to-day. I do not comment on its merits because I do not know what the merits are, except that I think someone in this house should refer to it. We have the cry from Australia as expressed in one of the leading publications of that country, in the Sydney *Daily Telegraph* of yesterday:

> Whoever is responsible for the allocation of Canada's war output has lost his sense of values. Nobody has suggested that Australia should be given priority. Britain must have the best share of all production; Russia, India, Egypt and China must have a good share. But the flow of production should be dictated by the urgency of the situation in the various war theatres. . . . A London *Times* statement, that the Pacific battle is a race between American reinforcements to Australia and the Japanese advance ignores the fact that Canada is also a Pacific country. Australians simply will not understand why a Pacific country and a sister dominion should be sending nineteen times more war material to Egypt than to Australia. You would imagine that Canada would put first things first. The United States is wholeheartedly committed to making Australia a major base for operations against Japan. She is doing so because she knows that the west coast of America would be wide open to attack if Australia fell. The west coast means Canada. Australia's defeat would mean the end of the British empire in the Pacific. That is why Canada's export figures for February do not make sense.

That is Australia. To that observation the Minister of Munitions and Supply (Mr. Howe) is reported as saying that the allocation of materials which go from this country and from the United States is supervised by Britain herself. I have no quarrel with that. A war is not run from a barber shop or even from the House of Commons, but I do say it is important that there should be some expression of opinion which would give some encouragement to Australia, that this country is determined, in so far as it can, to effect the distribution of the materials of war produced in Canada, consistent with what those in charge regard as in the best interests of our cause.

Yesterday the leader of the opposition related this whole problem of international obligations after the war to the kind of world that we were going to have after the war was over, and there resulted in consequence the observation of the leader of the Cooperative Commonwealth Federation party (Mr. Coldwell), in this house, that we had to take account of the future in the light first of all of our mistakes in the past and of what was, he said, the undoubted demand of the vast majority of citizens throughout the world at the present time. He was opposed to the system of free enterprise. He regarded the future as envisaging, if it was to have any sort of order at all, something on a socialistic basis, and the leader of the opposition urged that we should have a system of free enterprise. Then one speaker from the Social Credit party attacked the government because the chairman of the reconstruction committee had expressed the view that the purpose for which we are fighting was to preserve the gold standard, or something of that sort. It is important for someone on this side to express an individual view at any rate, and that I propose to try to do.

In the first place, I think, throwing aside party differences—and that is what I seek to do to-day—and looking at the world from the point of view of the exigencies that will present themselves, we must all be prepared to admit that we are in a transition. I am not so sure that I could accept the doctrinaire attitude of the leader of the Cooperative Commonwealth Federation party, and have a readymade formula for everything that might arise. Nor am I prepared to accept the view of the leader of the opposition that in the world to come we can go on in the laissez-faire manner that we followed in the nineteenth and the early part of the twentieth century. General Smuts, who may be regarded as having some special qualification to speak on these matters, said, in 1941:

> Intercourse between the nations will be free, and commerce, economics and finance will be freed from all hampering restrictions and obstructions. As between man and man there shall be social justice; as between nation and nation, there shall be a rule of law, the absence of force and violence, and the maintenance of peace.

Then there was the significant statement of the British foreign secretary, made one month later when commenting on a statement along similar lines by Mr. Cordell Hull. He said:

> Institutions and arrangements of international finance must be so set up that they lend aid to essential enterprise and continuous development of all countries and permit payment through the process of trade consonant with the welfare of all countries.

Just to make the record complete, the Prime Minister of this country, speaking at the lord mayor's luncheon in his honour, said:

> A new world order cannot be worked out at some given moment and reduced to writing at a conference table. It is not a matter of parchments and of seals. That was one of the mistaken beliefs at the end of the last war.

The hon. member for Acadia (Mr. Quelch), I think it was, criticized the government because of the observations of Doctor James, chairman of the reconstruction committee. I think along with that criticism should be taken the observations of the Minister of Pensions and National Health (Mr. Mackenzie), who, speaking in Toronto in October, 1941, along the line taken by Smuts, Eden and our own Prime Minister, said:

> We shall have to develop a kind of government and a kind of economic system that rules out unemployment. No other can survive. Security for the masses . . . must be the first essential of our post-war world.

So when the hon. gentleman talks about this government trying to defend a system that shows so much evidence of imperfection, he is hardly indicting this government fairly or, I was almost going to say, honourably.

What about the future? This whole problem with which we are dealing to-day, trying to adjust the difficulties of debtor and creditor nations in the light of events and circumstances that will, it is hoped, improve the economic condition of the world, will not be met by labels. Hon. gentlemen opposite may say that the world of to-morrow will be socialistic. I must say that I envy them the ability to be comfortable as to the complete adequacy of the point of view which they espouse. But the world of to-morrow possibly will be neither fully capitalistic nor fully socialistic. Surely the system of controls we set up during the period of depression, and elaborated upon during the war, is here to stay, at least for a long time.

I am not saying that the hon. gentleman opposite espouses the doctrine of communism, but I cannot think that communism any longer will have a large group of followers who will support the view that that philosophy is an alternative to war or imperialism. No; if we are to avoid disaster after the war; if we are to avoid the disturbance of national and international economics, strict supervision by the war-time control method over raw materials, foreign trade, foreign exchange, shipping and so on will have to be maintained, along the line of the arrangements that now prevail between the United Kingdom and the United States, and between the United States and Canada. If, for instance, Canada and the United States are able to cooperate during the war in the matter of control of shipping, exports and imports, raw material supply and the use of balance of payments, it should not be impossible to maintain this type of collaboration after the cease-fire signal is given.

Yesterday the leader of the Cooperative Commonwealth Federation party, commenting on what he said was the lack of appreciation of this problem by the leader of the opposition—and I thought he was a little unfair in that regard—said the time had come when we had to plan our internal economy, when we had to plan the economies of all nations on an international basis. But we in Canada have done that very thing. Our system of price controls; our system of controlling wages, together with the other types of control that we have set up in this country, I venture to suggest represent almost as complete a form of planned economy as one could get in any part of the world. But the great danger is that if you allow that type of planning to proceed on a basis of absolute rigidity, without allowing for some competition between a measure of collectivism and a system of free enterprise, for instance, you will have the very sort of evils which have resulted from totalitarianism itself. So what is required with regard to this whole problem is, I think, not a doctrinaire attitude; not a definite conviction that we have the formula that will solve all these problems; but, first, a recognition that the old order is gone; second, a recognition that laissez-faire capitalism will no longer play the role it has assumed in other days, and that these problems must be dealt with realistically, not on the basis of an idealism which may be desired but which, I venture to suggest, cannot readily be achieved.

To summarize, in so far as guaranteeing a measure of social security is concerned, I would say this. Many of the forms of administrative controls which have become part of the job of government will have to be maintained. Thus far these controls have embraced national economies alone. They will have to receive a wider application. The system of licensing, of banning of imports and exports; the regulation of exchange rates—all these are among the methods by which these controls have operated; and the greater the control, the greater and more extensive the planning. As I have said, the Canadian price and wage control policy; the control of production; the control of raw and material supplies, and other controls, have given us the type of planning which hon. gentlemen opposite have been urging for years; but now that it is here they refuse to recognize it.

Mr. DOUGLAS (Weyburn): Planning in whose interests?

Mr. GILLIS: Nice planning at Kirkland Lake by the labour department.

Mr. MARTIN: I have tried to deal with this matter as objectively as possible, but I do not want what I have said to be misinterpreted. With regard to what my hon. friend has said about management and labour, there is no point in not disclosing my views on that matter. I have no hesitation at all in saying that collective bargaining is the proper technique by which problems of management and labour should be dealt with. I would go even further than the government has gone in recognizing the desirability of making effective, even by compulsion, a system of collective bargaining. I say that in order that hon. gentlemen may not in *Hansard,* for others to read, give the impression that I have overlooked the importance of that problem.

The policy of control; the policy with regard to the intervention of the state in these matters, undoubtedly is one that at least charts the course by which the whole problem suggested by this resolution introduced by the Minister of Finance will be dealt with.

There is nothing further to add, except to say this, that it seems to me there is an obligation on the part of members of this house to look upon the proposal in its true light. We are making a gift, true, but a gift which will enure to our benefit just as much as it will to that of the recipients. Second, it is a forward act in respect of the whole problem of debt adjustment which will face the world when this conflict is over.

I say we must be realistic. I know my own views in these matters have undergone definite changes. But the world is in flames; we can no longer be satisfied with sectional or national interest. Our resources must become the resources of our allies if we are going to bring together that kind of control, for instance, envisaged yesterday in Great Britain by Sir William Beveridge. That is the spirit in which this resolution should be faced. For one, I look upon the day that is to come not as a day of judgment but as a day of opportunity.

Mr. J. J. KINLEY (Queens-Lunenburg): Mr. Speaker, I rise to speak on this resolution because of its great importance. I think as a member of the House of Commons I should express my opinion and hope that the people I represent especially will take an enthusiastic view of the resolution because

of its generosity, its magnitude and the fact that it is an innovation in international finance.

I regret that the voice of the leader of the opposition (Mr. Hanson) did not ring as true as I thought it might in praise of this resolution. He digressed to speak about something that happened in a by-election campaign in Quebec, and he accused the Minister of Fisheries (Mr. Michaud) of making remarks not appropriate in war time.

I have read what appears in *Hansard* of yesterday, and it seems to me that one cannot put any serious war-time meaning on what the minister said. His was an argument respecting economics, and pointing out that Canada would be able to pay her debts. As I have looked at the minister's statement, the thought has occurred to me that he has put up the kind of case one might expect from a person holding Tory doctrines, because if hon. members will read his statement carefully they will find it follows the practice of the Conservative party, in so far as it says, in effect, "We will import nothing that can be produced in this country, and in that way we shall have economic nationalism."

It seems to me a pity that by our discussion we are detracting from the lustre of this gift to Great Britain, and we are denying to the people of Canada the full satisfaction and feeling that it is a generous gift. It is an expression of good-will, and a giving of our substance in great measure, at a time when it surely is needed and, we are assured, greatly appreciated.

We know it is appreciated because on January 27, there appears in *Hansard* a statement made by the Right Hon. Winston Churchill in the House of Commons in London, where he said:

> Having crossed the Atlantic it was plainly my duty to visit the great Dominion of Canada. The house will have read with admiration and deep interest the speech made by the Prime Minister of Canada yesterday on Canada's great and growing contribution to the common cause in men, in money and in materials. A notable part of the contribution is the financial offer which the Canadian government have made to this country. The sum involved is one billion Canadian dollars, about £225,000,000. I know the house will wish me to convey to the government of Canada our lively appreciation of their kind and most generous offer, inequalled in its scale in the whole history of the British empire, and it is a convincing proof of the determination of Canada to make her maximum contribution to the successful prosecution of the war.

I do not think we need approach this gift or this resolution under the shadow of shame,

as was suggested in the house yesterday. In his speech the leader of the opposition is reported at page 1425 of *Hansard* to have used these words:

> We have accepted help and protection of inestimable value without, to our shame be it said, ever contributing a single dollar or a single man. That was before the war.

I do not think Great Britain figures that we owe them or that Canada in any sense is a liability. But it seems to me that there are many people in Canada who still think in terms of Westminster. Their vision of home is still outside Canada, and they seem to rely so much on distant thought. I say this advisedly at this time, because I think that for the harmony and best effort of this country we should be militant Canadians, thinking first in terms of our country, and with our government here as a trusted leader of this country.

To exemplify this, it will be recalled that on several occasions in the house questions were raised as to whether the Vichy minister should be in Canada. If the Prime Minister (Mr. Mackenzie King) had said, "Well, the government has given this matter consideration, and we have felt that in the interest of the country and in the interest of our war effort this man should remain here", it would have excited discussion on the part of hon. members opposite. But when he replies, "Mr. Churchill says this is the proper thing to do", it is accepted without discussion. I do not believe Canadian opinion or action should be unduly controlled from any outside source. While extremely anxious to assist, to cooperate and to conform, as much as we possibly can, we must retain our self-respect, and regard our own government as our leaders. They in turn must accept responsibility in their own right before parliament and the people of Canada, and thus exert the best Canadian influence as a free and equal partner in the British commonwealth of nations.

It has been said that this vote is the people's money and not the money of the government. It seems that that is hardly worth saying. I do not see how the government could give any money, except what it gets from the people. The source of government strength and power is from the people, and the money comes from taxation of the people. There are some in the house who think that perhaps the government could create money, but I would assure my hon. friend that that money would not be accepted as payment in outside countries, at least, at any value that would be of very much use in this war. I should like to remind this house that Canada is strong financially. Canada has not yet invoked lease-lend aid from the United States. Canada still pays her bills.

Now for a moment I should like to look at this resolution to see how extensive and how far-reaching it is; I want to show what a wonderful gesture it is on the part of Canada. It reads:

> 1. That sums not exceeding one thousand million dollars ($1,000,000,000) be granted to his majesty towards defraying the expenditures that may be incurred during the present war for the purpose of enabling the government of the United Kingdom to purchase in Canada aircraft, tanks, mechanical transport vehicles, guns, ammunition and other munitions of war, foodstuffs, raw materials and any other commodities and supplies essential to the conduct of the war and the maintenance of the people of the United Kingdom, and to assist in enabling the government of the United Kingdom to defray other expenditures incurred in Canada for war purposes.

A resolution can be worded in involved and scientific language, but to reduce this paragraph to simple terms, it simply means that we are giving Great Britain a gift of $1,000,000,000, which money is to be used for the purchase of agricultural supplies, manufactured articles and other commodities produced in Canada for the purpose of carrying on the war. I believe the people of Canada understand this clearly. However, the impression is that this is just a gift of $1,000,000,000 when the fact is that the resolution is much more extensive. It goes on to say:

> 2. That the Minister of Finance may be empowered to accept from the government of the United Kingdom an obligation of the said government in such form and subject to such terms and conditions as the governor in council may determine for a sum of seven hundred million dollars ($700,000,000) in exchange for an equivalent amount, at an exchange rate of $4.45 to the pound sterling, of deposits in pounds sterling held in banks in the United Kingdom, the said obligation of the government of the United Kingdom not to bear interest until the termination of the war.

This is to be a loan without interest and there will be no terminating date until the end of the war. There will be no obligation to be met and no interest until the end of the war. We are empowered to accept certain obligations of the United Kingdom, let us assume that they give us a note. Who would be the best endorser to have on that note? There is only one endorser that would be any good—victory. Unless this country is victorious, unless democracy wins, this would not be a loan, it would simply be money spent for the cause.

The leaders of the opposition parties have taken their turns at prophesying. They have

been telling us what is going to happen in the future. The leader of the Cooperative Commonwealth Federation party (Mr. Coldwell) told us about the social evil that was going on and that in the end we would likely have state socialism. What a time this is to tell that to the people! Imagine telling people in travail, people who are in anguish under their burdens, that there is something radically wrong with their country! It seems to me it is like telling a man who is about to enter the ring to fight that he is all wrong. It seems to me we should wait until the war is over before we try to cause dissension or disturbance among our people who do not believe alike on many of these questions that are brought up at the present time.

I am not fearful of the future as long as we have an intelligent and well thought out programme. I am willing to trust the Canadian people in the future as I have trusted them in the past. I know our country was a good country in the past; I know it is a better country now, and I know it will be far better in the future. The leader of the Cooperative Commonwealth Federation thinks he has solved the problem when he says that state socialism is coming.

Mr. COLDWELL: Who said that?

Mr. KINLEY: I said that my hon. friend said that.

Mr. COLDWELL: I said nothing of the kind.

Mr. KINLEY: The hon. member said to call it state socialism, if you liked.

Mr. COLDWELL: No, I did not.

Mr. KINLEY: I think that is what the hon. member meant. The leader of the opposition says that we must hold on to the past to a certain extent. I think we should hold on to what is good, but I think the party he represents are holding on too much to the past. I recall years ago, when reciprocity was proposed in this country, a very prominent gentleman made a speech which left an impression upon my mind as a boy. He said that the fishermen's bounty would be imperilled if they did not vote against reciprocity. I remember someone telling me that that was symbolical of the Conservative party, that they always told you that you were going to lose something unless you voted for Conservative principles. I do not believe in the philosophy of either my hon. friend to my extreme left or the leader of the opposition. I know that Liberalism is a marching force, always advancing, never satisfied and never arriving. That is the way the world has progressed in the past, and that is the way the world will progress in the future. People will go on; they will get better; they will never be satisfied, and they will never arrive at the place where they think it best to sit and rest.

I believe that when the war is over, the people will demand certain things. We are told that this is a land of freedom, but that we shall have to put that freedom on the shelf for the period of the war. We are told that we are being governed by order in council, and there is criticism because that is being done in war time. I do not think any orders in council have been passed that have hurt this country very much. If they did, the government quickly took notice of them. I think we shall actually be benefited by the restrictions that are being put in force. Adversity never killed a nation, but luxury and ease are the things that destroy nations. I believe the people will come out of this war stronger and better, more stream-lined, better able to face the future than they ever were before.

I think one thing the people will ask for after this war is individual freedom. They will want to go back to the old magna charta. They will want a return of the liberty of the subject and freedom of action which were infringed upon for the purposes of this war. The liberty of the subject is the most precious treasure in the hands of a free people. The people will want to be freed from many restrictions. They will want to have liberty of action and freedom of effort. I believe that will be the clarion call of the people of this country; that will be the call put forward when this war is over.

I hear a great deal about the capitalistic system. I do not think the capitalistic system is perfect; but it functions, and it functions at a serious time in the history of the world. I also think it is being cleansed. True, it is being cleansed by war, but the fact remains, notwithstanding the talk against it, that the capitalistic system has served its purpose for hundreds of years.

An hon. MEMBER: How?

Mr. KINLEY: I do not think it is the use of the capitalistic system that has done any harm, but its abuse, I believe, has done some harm. I have, however, not yet seen anything proposed by my hon. friends to my left which I would be willing to adopt in the place of a proper capitalistic system in this country.

We also hear a great deal about capital and labour. I have had to do with both capital and labour in a small degree in my time, having been associated with both, and in my long experience in the legislature of

Nova Scotia and since I came here I have heard a lot about the problems of capital and labour. I do not think capital and labour should be divided into two distinct opposing camps. I think they should be in the same camp together. I think our cooperative effort should not be a class cooperative effort but a cooperative effort by capital and labour, capital representing the savings of the past, and labour representing the efforts of the present. I would not say to this house that we should adopt some socialistic scheme or present some theory as to what capital and labour should do. I would suggest something practicable. I would go to the statute books of Canada and look up the Companies' Act, governing the operation of companies, and I would say that by that law you should elect your directors, part by capital and part by labour. The Prime Minister of this country enunciated that theory many years ago in his book "Industry and Humanity", in which he said there were three parties interested in all industry—the community, capital and labour. Let the community be interested to the extent of making the laws governing business, and let capital and labour be interested together, sitting round a common table in their own right, each doing its part in cooperating to carry on industry, and each having its share. Then all parties will know what is going on, and all will have their rights. None will be exploited either by the leaders of capitalism on the one hand or by the leaders of the trades unions on the other. The majority representing both labour and capital, I believe, would be willing to accept and try that plan, and it would represent a splendid step forward in industry for the future.

I interjected when the leader of the opposition was speaking yesterday on temperance on which subject he made some rather good remarks. I suggested: "Don't you think that is right?" when he said that the governments of Nova Scotia and New Brunswick had restricted the sale of liquor. I regard drink as one of the big enemies. I believe that we cannot drink our way to victory. In the congested parts of Canada there is too much drinking among certain classes but I think we can depend upon the Cromwell qualities of the Minister of National Defence (Mr. Ralston) to see to it that our war effort is kept as clean as possible. Conditions on the train on which I was travelling six months ago were not so good, but the last several times I have been to the maritime provinces I confess that conditions were greatly improved. I think the members of this house might even set the example of turning down our glasses until the end of the war. That would be a challenge to all our people in Canada. It would save our bodies and save our money, and would undoubtedly be in the best interests of our war effort.

Mr. McIVOR: If I may ask the hon. member a question, to give a lead to the members of the house, will he turn his own glass down?

Mr. KINLEY: I will, but I do not think I need to.

With regard to our future I still believe in the driving force of private initiative. I believe it is proper and right that there should be the incentive of fair personal gain in business and that we should resolve to accept those common obligations which fall upon the whole people of this country.

In closing, may I recall for the benefit of us all, a verse that struck me from Lowell's "The Present Crisis" which the Prime Minister quoted at the beginning of the war, and which could be applied and is being thought of all over this country:

> Careless seems the great Avenger; history's pages but record
> One death-grapple in the darkness 'twixt old systems and the Word;
> Truth forever on the scaffold, Wrong forever on the throne,—
> Yet that scaffold sways the future, and, behind the dim unknown,
> Standeth God within the shadow, keeping watch above his own.

Mr. LIGUORI LACOMBE (Laval-Two-Mountains) (Translation): Mr. Speaker, while protests reach us from all parts of Canada against this anti-national and anti-Canadian measure, the government is ready to give Great Britain an enormous sum of money, a step which is detrimental to Canada's defence. I have no words properly to describe this bill, which is the most nefarious, the most imperialistic and the most damaging of any ever submitted to this house.

I fail to understand why, in these hard times, when Australia is grievously threatened, we should neglect our country's defence and sacrifice a billion dollars worth of our natural resources. Instead of denying ourselves to such an extent, let us save what there is still time to save in Canada: our homes, families, parishes, cities, which are all living cells of our country. At this tremendously serious hour of our national life, will the Canadian parliament thoughtlessly endorse a policy which is bound to spell our ruin? Where are our gallant airmen, our best-trained soldiers, our courageous sailors? Where are our shells, our tanks, our guns and our machine guns? Overseas is not the proper place to keep our munitions, our armies and our material and human resources. They should be accumu-

lated here, at home, on our own shores. The defence of Canada should be our first and foremost concern. We shall never cease to contend that our own defence is our first responsibility. Our country, our children, our homes, our families, our villages and cities, these make up the sacred inheritance for which we shall fight our enemies on every inch of ground, even unto the supreme sacrifice, the laying down of our lives.

On September 9, 1939, with the support of the hon. member for Quebec-Montmorency (Mr. LaCroix), I fought with all my strength against our participation in the present conflict. Always supported by my hon. and worthy colleague, I then moved a motion of want of confidence and an amendment to the address, in which I opposed Canadian participation in foreign wars.

Mr. DUPUIS: I suppose this is why the hon. member suggests, in his party's platform, that our soldiers be paid $4 a day.

Mr. LACOMBE: I am willing to do it when it is a question of defending our own country and I may say to the hon. member for Chambly-Rouville (Mr. Dupuis) that we should be generous to our soldiers who do not get an adequate pay compared to industrial war workers. They are forfeiting their future and laying down their lives for their country and therefore they are entitled at least to a reasonable remuneration. I hope this is the last time the hon. member interrupts me.

Mr. DUPUIS: In 1939, you were referring to the defence of Canada?

Mr. LACOMBE: I have always been favourable to the defence of our own country; but I have always opposed militia and defence appropriations as long as our legislation remained unamended, because I foresaw the abyss into which we are sinking further every day.

The government requests parliament to vote a thousand million dollars for England. Another thousand million dollars after all the billions sent overseas in the form of food, munitions of war, troop transports, aeroplanes, ships, guns and tanks! In what a disastrous imperialistic policy our government, still so full of promise only recently, has now become entangled! How loathsome is this violation of sacred pledges and solemn promises! What has become of the programme of moderate, voluntary and free participation heretofore advocated? It has been torn and thrown into the laps of the war-mongers who prosper on the flesh and blood of our sons.

[Mr. Lacombe.]

Mr. DUPUIS: It is still voluntary and free.

Mr. LACOMBE: What a disgusting reversal of policy the plebiscite exemplifies!

Mr. DUPUIS: What about the reversal of policy on the part of the hon. member for Laval-Two Mountains?

Mr. LACOMBE: How sorry the plight of our dear country and its people who see agriculture dying slowly but surely in Chambly-Rouville and everywhere—agriculture which is our first line of defence! What a strange idea of patriotism has a government which sacrifices the natural and human resources of the country upon the altar of military and financial imperialism! No, things must not, they cannot come to such a pass, and the hon. member who is constantly interrupting me will soon share my views on the matter.

Mr. DUPUIS: What about the imperialism of the Canadian party with the oath it demands?

Mr. LACOMBE: As was said by our gracious queen herself, God save Canada! God preserve our country from the effects of this anti-national and anti-Canadian bill. God preserve it from a measure steeped in imperialism! Those who vote this staggering sum shall have to answer before their country for a frightful error as well as for the deadly consequences of a deed which future generations and history will denounce. We have made enough sacrifices, Mr. Speaker. We have made too many. The government have neglected the defence of Canada in favour of an unprecedented and unbounded participation.

Mr. DUPUIS: Would the hon. member permit me a question?

Mr. LACOMBE: Certainly.

Mr. DUPUIS: While delivering his speech, will he make us the favour of reading the resolution itself?

Mr. LACOMBE: Mr. Speaker, I am not bound to read the resolution, and I do not need the help of the hon. member for Chambly-Rouville in delivering my speech.

Alongside the Prime Minister (Mr. Mackenzie King) and his colleagues, I have, during twenty years of public life, condemned as strongly as I could our participation in the last war. To-day, in the interests of our national defence, I say that this measure weakens and even dishonours Canada. I assert with all the energy at my command that it should at once be withdrawn or repudiated by a majority of the members of parliament.

(Text) Mr. Speaker, I quote from the newspaper, the *Canadian Tribune,* of March 21, 1942, the following infamous article, with the headline, "Who are the Enemies of National Unity?" This article was sent to me by a good Canadian citizen, Mr. Joseph O'Connor, who lives at 43 Gledhill avenue, Toronto. He wrote me as follows:

Dear Mr. Lacombe:

As a long-standing admirer of your truly Canadian viewpoint as expressed in the House of Commons, I would like to draw your attention to the enclosed scurrilous clipping taken from the *Canadian Tribune* of March 21. This appeared in an article headed, "Who are the Enemies of National Unity?"

This article reads in part as follows:

Firstly, that the plebiscite, besides offering a marvellous opportunity to the great democratic forces to make it a mighty demonstration for total war national unity, also offers to the pro-fascist and the quisling "home fronters" the protection and the immunity they need to carry on their vicious agitation. Thus, in Quebec, the Bouchard-Bourassa-Lacombe gang, who quite reasonably may be considered to have plans for a spurious "French-Canadian freedom" approaching that of U Saw's for Burma or Bose's for India,—

The article continues—and I want to ask the hon. member for Chambly-Rouville (Mr. Dupuis) to listen to this very important part:

In fact, it is quite clear that Mackenzie King's reliance on the Quebec M.P.'s to maintain his party government causes him to tolerate and give comfort to the isolationist views of the Lapointe group—for while Ernest Lapointe has passed away his spirit still marches on under the flag of Vichy and Mr. Cardin is the flag-bearer in the cabinet.

What a shame, Mr. Speaker! What a lie! As far as the Canadian party is concerned, I will draw the attention of the house to paragraph 20 of its manifesto:

Finally, respectful of the laws of its country, faithful and loyal to His Majesty the King of Canada, the Canadian party, in these difficult times, appeals to all who believe in the survival of Canada by the defence of our country in the first place, by the protection of our coasts, of our open cities, of our men, women and children. It invites in its ranks Canadians of all races and creeds. At this critical moment, it is the supreme call which the country in danger delivers to its men, to its women, to its children, to its worthy soldiers who were born in its midst and who should grow and fight for the defence of the Canadian soil and the salvation of Canada in the first place. Now that the country is at war and engaged in the conflict, we must undergo the consequences and defend our Canadian territory before all. The Canadian party, loyal and faithful to His Majesty the King, has a passionate desire to see the victory of our arms and of our allies, not by compulsory military service for overseas, but by voluntary enlistment which, according to the very words of the Prime Minister of Great Britain, the Honourable Winston Churchill, produces "a magnificent war effort".

RAILWAYS AND SHIPPING

TABLING OF ANNUAL REPORTS OF GOVERNMENT OWNED TRANSPORTATION LINES

Hon. P. J. A. CARDIN (Minister of Transport): Mr. Speaker, may I ask the unanimous consent of the house to revert to the order "motions" so that I may lay on the table the reports of the Canadian National Railways, in which members on all sides of the house are concerned. These reports are those of the Canadian National system, the Canadian National West Indies Steamships, the Canadian National Railways Security Trust, and also the report of George A. Touche and Company, auditors of the Canadian National Railways system.

The house having reverted to the order for motions:

Mr. CARDIN: I now table these reports.

Mr. HANSON (York-Sunbury): Will these reports be distributed to members immediately?

Mr. CARDIN: I understand they are already being distributed.

WAR APPROPRIATION

UNITED KINGDOM FINANCING—WAR SUPPLIES, FOOD AND LOAN WITHOUT INTEREST

The house resumed consideration of the motion of Mr. Ilsley that the house go into committee on a resolution to provide for granting to his majesty sums not exceeding $1,000,000,000 to assist in enabling the government of the United Kingdom to defray expenditures incurred in Canada for war purposes, and to provide for a loan to the government of the United Kingdom of $700,000,000 without interest.

Mr. G. H. CASTLEDEN (Yorkton): By means of the bill which will be founded upon the resolution now before the house, Canada will purchase $1,000 million worth of goods of various kinds, equipment, raw materials, supplies of foodstuffs, and so on, for Great Britain. All parts of Canada are, I believe, agreed upon this and in favour of this gift, and my purpose in rising at this time is only to point out one thing. I wish to direct to the attention of the house the fact that the purchase price which is to be paid for these various commodities is with one exception, to be a cost-plus price. I must express regret at this time that the house has not more details with regard to the quantity of materials available and the respective unit costs of these commodities which we are going to purchase. To get Canada into the production of equipment and supplies we found it

necessary last year to grant over $100,000,000 to assist various companies in getting into production.

Everyone who realizes that this war will be won or lost on the production lines of the industries of the different countries at war is in favour of the granting of these amounts. We had to get production at all costs, and apparently it is going to be at all costs. Canada was not ready to produce when the war broke out, and all this capital that was required to extend the facilities of production was needed. Canada had to change rapidly from peace-time to war-time production. The thing I want to point out is that practically in every instance costs of production were guaranteed to these companies. Not only were they guaranteed costs of production, but overhead, labour costs, costs of raw materials were taken into account. In practically every instance there were cost-plus contracts, which meant that those engaged in production received cost-plus profit.

It is unnecessary for me to refer to the strike which industry engaged in when it refused to carry out production until it received that consideration. The point is that hundreds of millions of bushels of wheat will be included in this gift, and this is one item in connection with which the producer will not receive even his cost. There is no question about cost-plus. Resolutions that have passed through the house indicate that the price of wheat per bushel will be 90 cents at Fort William, which means that the average farmer will get about 70 cents on the farm. Those who know anything about cost of production, those whose business it is to study and do research work in connection with production costs, agree that the cost is well over a dollar on the farm. It appears to me only logical that if we are to make this gift to Britain, we should do as is done in connection with other commodities that have been supplied, and cost should be guaranteed. Otherwise the farmers can only feel this about it: Canada is making a gift; all the taxpayers are paying their share towards that gift; but those who do the producing, so far as wheat is concerned, will not get their cost. The farmer will bear his share of taxation in the making of this gift; but as regards the one commodity in which he is concerned, and by means of which he is trying to make a livelihood, he is to receive only 70 cents a bushel on the farm for his wheat, whereas wheat costs from $1.10 to $1.20 a bushel to produce. This means that for every bushel of wheat included in the gift to Britain the farmer is making an additional contribution of from 40 to 50 cents.

At six o'clock the house took recess.

[Mr. Castleden.]

After Recess

The house resumed at eight o'clock.

Mr. CASTLEDEN: Mr. Speaker, before the dinner recess we were dealing with the subject of a gift of a $1,000 million to Great Britain. In that connection we were observing that since the gift was coming from all of Canada, and since all the people were sharing, through taxation, in the giving of that bounty to Great Britain at this time of need, all by whom the goods were produced should be treated alike. If the manufacturer of the equipment, the guns, the tanks, the motor transport equipment; if the processor of foodstuffs, the producer of armaments and so on were to be paid their cost-plus price for the goods which are to be bought by this billion dollars; if the natural resources and raw materials which are to be sent over are to be paid for on the same basis, then we pointed out that it was only just and fair that those producing the wheat, of which probably several hundred million bushels will be purchased, should receive at least the cost of their production. Those people are not asking for cost-plus contracts. They merely ask that in time of need they be paid their cost. It is not just that this discrimination should exist. The state should be as a man of honour. I would urge that in arriving at the price to be paid for the wheat that is to be included in this gift, those in authority should see to it that the producer gets a fair and just deal. Only in this way can some measure of fairness exist.

Mr. H. R. JACKMAN (Rosedale): Mr. Speaker, since the fall of France the flow of munitions and foodstuffs to Great Britain has been going on in ever increasing amounts. It has now come to the point, however, where as a result of those shipments Great Britain is no longer able to pay with Canadian dollars. She has turned over to Canada $250,000,000 in gold, $400,000,000 in Canadian government and government-guaranteed securities and over $100,000,000 in securities and capital receipts. Indeed, Great Britain has searched so deeply for Canadian dollars that she has taken even the small estates, or interests in the estates, which have been left to people in Britain by their relatives in Canada, and given those people sterling in order that she might get the dollars to send to Canada.

In addition to those amounts, and in order to balance the accounts to a recent date, Canada now proposes to make a loan to Great Britain of $700,000,000. This loan will be offset by British-held, private Canadian securities. It will amount to a collateral loan.

This $700,000,000 will be loaned without interest as long as the war continues. The Minister of Finance (Mr. Ilsley) said, however, that this $700,000,000 in Canadian securities would give Great Britain a continuing interest in Canadian prosperity. That is hardly to be called a continuing interest, I suggest, for it simply amounts to pledging as collateral the $700,000,000 of Canadian securities against a loan of a similar amount. The point is most amply proved when the minister says that if any securities are withdrawn from this pledge, then the proceeds must go to the reduction of the dollar loan itself. In addition to that amount, a further $295,000,000 in Canadian government and government-guaranteed securities is now to be taken over by Canada from Great Britain. After that, Great Britain will have no Canadian dollar securities whatever.

It is, therefore, proposed to this house that in order not to interfere with or prejudice the carrying on of the fight against tyranny, Canada shall grant to Great Britain a contribution of $1,000,000,000 for the purchase of raw materials, foodstuffs and munitions of war in Canada.

I support this resolution as far as it goes. We must send to Great Britain all the essential war requirements that we can possibly ship to the other side. As the Minister of Finance so well said, outside this house:

> Finance, of course, is in second place—it is a matter of ways and means. Finance must serve as a smooth running mechanism to expedite rather than retard our progress in mobilizing our physical resources.

One aspect of this measure which appeals to me, and which I am sure will appeal to members of this house, is that it gives the lie once and for all to those carping critics who once said that Canada was insisting on the payment of cash on the barrel-head; that we were unlike the United States, and were not granting as favourable terms to Great Britain as did our great neighbour to the south. It is true that the provisions of the resolution make for a settlement up to the present time; but coinciding with this measure is a proposal to make a contribution of a billion dollars to Great Britain, which for the most part will look after her requirements from Canada for the coming year. This proposed measure goes further than the lease-lend act. Prior to the passing of the lease-lend legislation in the United States, that country took from Great Britain all her American investments. Indeed, they even took from Great Britain her branch plants in the United States. I do not for a moment suggest that this was the desire of the administration of the United States; but it was prior to the entry of that country into the war, and there were certain factions in the United States which had to be appeased, so this course of action had to be followed.

But we in Canada, notwithstanding our closer relationship, and the fact that we were a fighting partner in a common cause, have done almost as much. Whether or not it was a fair policy for us to have pursued, I do not care at this moment to say. Later on, I hope to develop considerations which may affect the judgment of this house. If there is critiscism to offer as to the dealings between Canada and Great Britain, and as to whether or not we have been sufficiently generous, I think the criticism has reference to the general standard of financial morality between partners fighting in a common cause, rather than reference to the actions of this country. Our actions cannot be viewed in quite the same light as those of the United States, because we have been a full-fledged partner from the very beginning of this conflict. This conflict has now proved to have been just as much that of the United States as it has been that of Canada. We can, I believe, assure ourselves that Canada's treatment has been at least as fair as that of the United States because we must also consider the fact that we have been a fighting partner from the beginning, and have had very heavy expenses to bear on that account. But we have arrived at the position now where Great Britain cannot pay Canada further amounts in Canadian dollars. She cannot pay for further shipments of goods from Canada to Great Britain. She has no Canadian dollars, and Canadian dollars are the only kind of currency acceptable to us. Sterling notes are of no use at the corner grocery store, and Great Britain has not any more Canadian dollars with which to pay us.

We must not forget, sir, that Great Britain made payments to Canada in Canadian dollars, even prior to the outbreak of the war, for armament orders she had placed in this country. She had even sent money over here for the building of armament plants. We are prone to criticize the war preparation of the United Nations for their meagreness, but let it not be forgotten that even in 1936 there were contracts placed by Great Britain for shells in Canada. On Saturday last a delegation of members from this house visited a shell-making plant, where shells were first made for British account as long ago as 1936; and those shells were paid for by Great Britain with Canadian dollars.

Our government, however, has very wisely said that since it is impossible for Great Britain to pay now, it is perhaps unwise for

us to run up a large book debt from Great Britain to Canada. There may even be difficulty in the future in being able to collect if we did allow that debt to run up, because of her own staggering burden of war expenditures. It is also unwise to attempt collection because if in the future Great Britain has Canadian dollars through trading with Canada or with other countries with which to pay us, there will be Canadian wheat and other Canadian products which we shall want to sell to her. Also the bad effect of war debts after the last great war should provide a warning to all. The attempt of a creditor nation after that war to collect war debts led to the stifling of international trade, and the seeds of the depression of the nineteen-thirties were sown. It is better for us to wipe the slate clean of inter-allied war debts. It is less than mercy; it is hardly more than ordinary justice.

I do not wish to dilate here on the effect of this billion dollar credit to Great Britain on our own economy, but I should like to point out that this money is spent in Canada. It results in the speeding up of our industrial, our mining and, in some respects, our agricultural industries. These industries for the most part have reached levels which have never heretofore been reached in this country. Unemployment has been abolished, and while sacrifices have been many, the general ecoromic level of the masses of our people is higher than it has been in a decade.

Hon. members may wonder why it is that Great Britain cannot pay with Canadian dollars for further shipments of goods from this country. May I point out that Great Britain gets Canadian dollars only, first, from the sale of Canadian investments which she may have held prior to the war and, second, from the sale of British goods in this country which we are willing to purchase. We have taken all the Canadian dollar investments Great Britain has.

For some time Great Britain endeavoured to export goods not only to Canada but to the United States and to other countries, so that she would be able to pay for her necessary war imports. It was a valiant attempt, but it was impossible because of the exigencies of war. Finally that attempt had to be mainly abandoned. The pressure on her own industries making war materials and certain aspects of lease-lend regulations prevented the exporting by Great Britain of finished products which contained a like material to that which Great Britain received under lease-lend arrangements. So the slogan, "Britain delivers the goods," had to take a very secondary place.

[Mr. Jackman.]

May I point out, sir, just what the loss of trade channels and trade connections means to a little island of 46,000,000 inhabitants whose economic livelihood is vitally dependent upon foreign trade. That great asset of Great Britain is for the time being gone. All her energies, and particularly her industrial energies, are devoted to the manufacture of the weapons of war. She cannot export in order to raise funds with which to pay other united nations. If Great Britain is to make her fullest contribution to the joint cause, then we must help to provide the tools.

I am sure it is not the wish of any Canadian to contribute less than he can to the joint effort. Let me give here a comparison of our per capita contribution with that of Great Britain. Once again it is necessary to refer to dollars as a form of measurement. In Great Britain the per capita expenditure yearly amounts to $512. If one calculates that on a per family basis, he will get some idea of the kind of sacrifice that country is now going through. In Canada our per capita expenditure yearly is $261, almost precisely one-half. We in this country, therefore, are not sacrificing to help a partner who is not waging a full-out war effort.

Many Canadians—and I do not wish to labour this point, because there may be some who will differ from my point of view—feel that this billion dollar gift is only a partial discharge of a debt to Great Britain, a debt long overdue. I shall not mention here the expense to the taxpayer of Great Britain in years gone by in connection with the building of fortifications in Canada, going back to the time of the building of the citadel at Quebec, the general garrisoning of this country or, in more recent times, the protection afforded to Canada as the fifth trading nation in the world by the Royal Navy. It is enough to say that we are now engaged in a common struggle, with common and utmost sacrifice demanded from all.

May I present to the house another angle which we should bear in mind in discussing this measure. If the war had followed a different course from that which it has followed, it might have been that the Japanese would have obtained a foothold on our Pacific coast. There was nothing but the Royal Navy to prevent it. We should then have realized what a full-out war effort meant. We should have had havoc and devastation wrought upon our cities and our people. If Canada were battling the Japanese, then Great Britain would have kept the supply lines flowing from that country to Canada, rather than from the west to the east. We should have found British troops fighting at our side wherever the enemy was to be found. We should have been receiving

supplies from Great Britain in untold quantity. The question would then have arisen: how can we pay for these supplies? If Great Britain had followed the same course as Canada, such investments as Canadians had in Great Britain would have been stripped from her. Then, instead of a gift of one billion dollars' worth of armaments, we should have had a gift from Great Britain of many billions of dollars worth of armaments. To-day Great Britain is spending over $23,000,000,000 a year on the war. The extent of our obligation could be measured thereby. This gift of ours will amount to just about one-twenty-third the total cost of the war this year to Great Britain.

I hope, therefore, that we can form some true perspective of what this contribution to Great Britain really is. It is only because Great Britain has held the enemy at bay that Canada has not been overrun and probably receiving much larger defence gifts from Great Britain. As the Prime Minister (Mr. Mackenzie King) said during the special session of 1939, as reported on page 22 of *Hansard:*

> There is no portion of the globe which any nation would be likely to covet more than this Dominion of Canada. There is no other portion of the earth's surface that contains such wealth as lies buried here. Nowhere are there such stretches of territory capable of feeding for generations to come not hundreds of thousands but millions of people.

If Great Britain and the other united nations had come to the rescue of Canada, as they surely would, how could we in Canada ever have repaid the debt? If we are to believe the suggestions made by many members from the Pacific coast, there is still not only a possibility but a probability that our coast will be invaded by the Japanese. Canada may yet become a battle ground against the Japanese. Then we shall be receiving aid from Great Britain if it is possible to get it here, and indeed it may be. It may well behoove us now to do unto others as we would have them do unto us.

Last November a delegation of six members of this parliament visited Great Britain. Everywhere they went they received the thanks of the British people for what Canada had done. Again the people of Britain will thank Canada for this generous contribution, because it is a generous expression of partnership in the struggle against tyranny. When we were there, I invariably said that we had not come to receive the thanks of the people of Great Britain but rather to extend to them our gratitude and our appreciation for fighting so bravely and so well and for holding the enemy at bay, an enemy which was poised for attack only twenty-four miles from the coast of Britain.

Behind this measure is the expectation that the people of Canada will provide one billion dollars' worth of war supplies to Great Britain and the fighting fronts, but this army of one billion dollars is only a yardstick. Once again, it measures only part of the labour, foodstuffs, raw materials and tools of war which we shall send across the oceans. In addition, there is our own notable contribution to the navy, the army and the air force, both at home and abroad. The proceeds of this gift, however, will be carried by the sailors, soldiers and airmen of Great Britain one lap farther along the road—the most dangerous lap of all—until they are delivered on Hitler's doorstep. This time, to use a term every Canadian housewife understands, instead of c.o.d., or cash on delivery, it will be victory on delivery.

Mr. J. LEONARD O'BRIEN (Northumberland, N.B.): Mr. Speaker, since May, 1940, when I first took my seat in this house as the member for the constituency of Northumberland, New Brunswick, I have endeavoured to refrain from taking up much of the time of the house. One reason for this is that because of war conditions, virtually all discussion here pertained to war, and very little legislation which is closely associated with the civilian needs of the general public has passed through the house. I have also refrained from taking up the time of the house because of a feeling of futility and frustration, and I think this feeling must be uppermost in the minds of other members of this house. The membership of this house is virtually a board of directors of the Dominion of Canada, and the government is the management. Therefore, irrespective of party affiliations, when the smoke of battle has cleared away and we are assembled in this chamber to represent our constituencies, it is our duty to see that legislation which will be of benefit to the rank and file of the people of Canada is brought forward. As I said a moment ago, while the somewhat technical legislation which has passed through this house is undoubtedly quite necessary because of the war, it has, of necessity, been of an abstract nature, considering civilian affairs, certainly to anyone engaged in business and giving employment. Because of this atmosphere I have found it difficult to contribute anything, and I only did so if and when I believed that my contribution might be of some use. I am sorry to say that in view of the circumstances that developed, very little attention

has been paid to the suggestions I have made, which perhaps is regrettable. I believe other members are in much the same position.

During the month of September it was my privilege to go to Great Britain by bomber with the leader of the opposition (Mr. Hanson) and his party. As one must do in such circumstances, I had to leave the things of life in which I was interested, for taking off across the Atlantic in a bomber establishes a line of demarcation in one's life. What I saw in Great Britain certainly created a very deep impression. During one of the days when our official routine was not too pressing I visited Oxford, that old seat of learning, and I sat in the enclosed garden in Christ Church college. I knew that at that spot a delightful fantasy of childhood had been developed when a don, sitting in one of the upper windows, saw a child playing in the garden below and then and there conceived and wrote "Alice in Wonderland." I never believed that in real life I would experience the weird adventures of Alice in Wonderland, but I am afraid that since coming to this House of Commons I have been involuntarily an Alice in Wonderland, and I think most other hon. members have been also. Alice met strange creatures, the Mad Hatter, the March Hare and the Dormouse, chatting among themselves, apparently making sense to themselves, but to Alice it seemed sheer nonsense. So much of that which I see happening makes me believe that I am passing through the rather weird experience of Alice in Wonderland.

I come now to the resolution before the house. Its purpose and objective is so worthy that little argument is required in support of it. I have, however, somewhat of a personal pride in making reference to it. I hope that it is at long last an indication that the ever-present dollar sign is to be torn from the union jack. In November, 1939, approximately two months after the declaration of war, I was but a private citizen in New Brunswick; but knowing something of our trade relations with Britain through actual contact, I wrote to the then Minister of Finance and suggested that Canada would have to extend to Britain enormous credits because of the purchases Britain was required to make in Canada, and particularly because Canada was perhaps the only country within the empire not then hooked to sterling currency, which meant, of course, that every item purchased in Canada cost the people of Britain a premium. I shall not weary the house by reading into the record my letter to the then Minister of Finance, but I shall quote a paragraph or two of his reply to give the sense which I wished to convey. My letter to him was dated November 6, 1939, and the minister's reply was dated December 11, 1939. The first paragraph of his reply reads:

> I have just now been able to consider your long letter of November 6 in which you suggest that for the purpose of exports to the United Kingdom the exchange rate between the pound and the Canadian dollar should be taken as par, and that this government should advance the dollars involved and hold the sterling in London until it returns to par after the war.

Here is another interesting paragraph from that letter:

> In regard to the specific suggestion you make that we should advance the equivalent in Canadian dollars at par for pounds received by exporters and then hold these pounds until at some future date they are worth par, I must point out two great difficulties. First, to hold sterling in this way would involve in essence gambling on future exchanges and—

I want the house particularly to note this:

> —would expose the dominion to dangers of loss in case sterling did not return to power.

That was the attitude in December, 1939. The letter went on:

> Secondly, it would add greatly to our already heavy financial burdens to have to borrow Canadian dollars with which to pay the exporters under your suggested plan. Because the war will require all the funds we can spare, it would not be wise to divert money to the purpose you suggest, even though there were no danger of loss involved in it.

That letter, I rather believed, was to tell me that my idea was almost fantastic. Although I wrote on November 6, and the minister replied on December 11, 1939, I have here a clipping, a Canadian press dispatch from London, England, dated November 27, 1939, which reads in part:

> The *Financial News* to-day urged establishment of empire exchange control, emphasizing the need for uniformity in the entire system of exchange regulations throughout the empire.
>
> "Since self-governing dominions can hardly allow us to dictate how they should use sterling funds, it is clear that waste is avoidable only by the establishment of an imperial exchange committee to agree on a common policy," the paper said in an editorial. "This would have to concern itself with more than mere exchange regulations."

On this momentous occasion in the history of this parliament when we are at long last voting this money freely as our contribution toward beleaguered Britain, I feel some little satisfaction if not pride in having suggested to the government at that time, some two months after the war broke out, that such a policy should be inaugurated. It might lead one to believe that the government might, if it could and only would, listen to other members of the house, coming as we do from the Atlantic to the Pacific, who in some small

way might make some contribution which would accrue to the benefit of Canada generally.

As I said a few minutes ago, it was my privilege to visit Great Britain last year. One does not go through such an experience, walk through bomb-smashed London and see countless thousands of human beings huddled beneath the surface of the earth in subways and bomb shelters, fearful of breathing the air above; one does not stand as we did on the white cliffs of Dover and peer dimly through the fog towards that unhappy land of France, without returning to Canada with a sense of the dreadful position in which we of this generation find ourselves. Nothing I saw in Britain surprised me, nothing shocked me. It was upon my return to Canada that I can truly say I was shocked and amazed. If I might add a personal note by way of emphasis, I should like to say that so deeply was I impressed with the gravity of the situation and the lethargy of Canada that on awakening every morning for some days, and passing from sleep to wakefulness, involuntarily the thought came into my mind how impossible it was apparently to make the people of Canada realize how grave the situation was. That condition went on for some little time until I analysed it.

I point that out to show that whilst I may have come home perhaps with the frame of mind of an alarmist, that state of mind was very real, nevertheless, and events since have, I think, justified it. I am fearful that in Canada there is a great lack of appreciation of the gravity of our danger. There is something most mysterious abroad in this land, yet the Canadian people are a pioneering people and have always been able to cope with great difficulties and always ready, when the occasion arises, to face the issue. But after travelling across Canada as I did last year, and meeting all sorts of people with very different ideas, and then going to Britain and returning, I must confess that I was amazed and greatly disturbed.

Just after the fall of Hong Kong and Singapore we were told that, immediately prior to the capitulation of these two strongholds, cocktail drinking was the order of the day. That, sir, is a shocking thing, if it is true. If it is not true, it may, I think, at least be taken figuratively. I submit that not only has there been cocktail drinking in Hong Kong and Singapore, there is cocktail drinking in Sydney, Halifax, Saint John, Moncton, the constituency of Northumberland, New Brunswick; Montreal, Quebec, Toronto, Winnipeg, Regina, Saskatoon, Vancouver, and Victoria; and there is cocktail drinking in Ottawa, not, sir, alcoholic cocktails but rather mental cocktails. That, sir, is what Canada has been suffering from ever since the war broke out. These mental cocktails have been dished out here in Ottawa in the largest cocktail shaker, possibly in the world. The world is suffering the shocks of a terrible war, and I submit that the people of Canada have reached the point where they do not want any more mental cocktails; they want real, hard, satisfying food, in the guise of plain truth. They are entitled to it.

Before I close, may I remind the house that Tennyson said something about this state of mind when he wrote his "Lotos-Eaters". I would advise hon. members to read that piece of prophetic poetry:

> Let us alone. Time driveth onward fast,
> And in a little while our lips are dumb.
> Let us alone.

That has been the policy—let us alone.

> What pleasure can we have
> To war with evil? Is there any peace
> In ever climbing up the climbing wave?
> All things have rest, and ripen toward the grave.

I submit, Mr. Speaker, that our condition in Canada is exactly described in the lethargy of the lotos-eaters; we are all drinkers of mental cocktails.

Three hundred years before Christ a Greek philosopher wrote into one of his plays these words:

> And tell of Time, what gifts for thee he bears,
> What griefs and wonders in the winding years.

Countless years before the Greek philosopher wrote these words, other humans had asked themselves, consciously or subconsciously, the same question. Since Anno Domini I, countless human beings all over the world have asked this question and, even this very night, are asking themselves the same question.

Another great writer wrote into one of his plays these fateful words:

> To-morrow, and to-morrow, and to-morrow
> Creeps in this petty pace from day to day,
> To the last syllable of recorded time;
> And all our yesterdays have lighted fools
> The way to dusty death.

I suggest that hon. members ask themselves the question which was asked three centuries before Christ. It is as fresh and fateful to-day as it ever was. I would urge them to ask themselves that question at once. To-morrow may be too late.

Mr. D. G. ROSS (St. Paul's): I have only a few words to say this evening; but may I begin by mentioning this, that never have I felt more pride in anybody than I have in my desk-mate (Mr. O'Brien) who has just taken his seat. The address he made this

evening will stand out in the annals of parliamentary speeches in Canada; in its character and the manner of its delivery it is comparable with any of the orations of Sir John A. Macdonald, Sir Wilfrid Laurier, Sir Robert Borden, and my leader. He made some reference to the Mad Hatter. As a matter of fact we have quite a number of mad hatters around the House of Commons. Indeed, if it were our fate to be here long enough, we might all be mad hatters before we got through, especially if we had to listen continually to "wheat, wheat, wheat."

The previous speaker also mentioned that we have in this House of Commons an impressive array of brain-power. To my mind one of the difficulties in this regard is that there is practically no outlet for the brains of the private member. Sometimes one is overcome with a sense of futility. But let it be remembered that there is one job we have to do to-day, and that is, get on with the war, put whatever efforts we have into it, and see that everything is done which can be done.

We hear much talk about democracy. We are not a democracy to-day in Canada. Everybody knows it. Parliament is overlooked all the time. What we really are is a socialistic bureaucracy; hon. gentlemen on the other side are the bosses, we are the people who follow in line, and that is all there is to it. That is all we can do. There is no democracy about it; our voices are disregarded.

Take, for instance, the way in which companies are formed by order in council. I shall not stop to make an enumeration of them; but let me ask, what would happen if I wanted to form a company? I would have to follow the regular procedure all the way down the line. Do you think I could go in and see my hon. friend the Minister of Pensions and National Health (Mr. Mackenzie, Vancouver Centre)—

Mr. MACKENZIE (Vancouver Centre): Always.

Mr. ROSS (St. Paul's): — and say, "Look here, can I get this company put through by order in council, just as a favour?" Not a chance in the world.

Mr. MACKENZIE (Vancouver Centre): That is not correct.

Mr. ROSS (St. Paul's): I speak, of course, with no thought of offence.

Coming to the next matter, I am frank to say that it makes me mad when I think of the appropriation referred to in this resolution for the benefit of Great Britain being called a gift. A gift! I believe every hon. member should be ashamed of the term. It is no more than the payment of a debt which is long, long overdue. Let us record it as such. Then, perhaps, the people of Great Britain will have more confidence in the people of Canada than they have had occasion to be in recent days.

I do not underrate what we are doing. Our war effort in a great many ways is marvellous. Our manufacturers are doing a wonderful job; our fighting men are among the best. But all we are doing is just giving those who are defending themselves and us the munitions to fight with, and if we did not have these fellows over there to do the fighting for us we would not only have to make these gifts, but have to find the extra men to fight as well.

On July 1, 1938, my honoured leader Mr. Bennett brought up in the House of Commons the matter of the request of the British government to train air pilots in this country. There was quite a debate. The Prime Minister (Mr. Mackenzie King) said at that time that there were no commitments—that was that. Not only that, but he said that there had been no requests from the British government. Let me take the house back to July 1, 1938, when the Prime Minister said, as reported at page 4527 of *Hansard*:

> I can only repeat what I have said time and again, namely, that there are no commitments of any kind on the part of this government with respect to any war in which the United Kingdom may be engaged.

That is that. Again, the Prime Minister said, as reported at page 4529:

> My reference was with regard to the idea of having the imperial air force set up a flying school somewhere in Canada, to train their flying pilots; in short, a military station to be put down in Canada, owned, maintained and operated by the imperial government for imperial purposes.

What a change has taken place since then! If hon. gentlemen have read the words of Mr. Bevin in his book, they will recall that he says that at the imperial conference of 1937 each individual member of the commonwealth of nations pledged itself to look after its own defence but not to be involved in any war in which Great Britain might be involved. No, we did not pledge that; but at the same time Great Britain pledged herself to defend every single member of the commonwealth of nations if it should be attacked for any reason whatever. Do you think, Mr. Speaker, that if the people of Great Britain had known about that at that time they would have stood for it? Is it not a very small thing that we are doing at the present time in this gift of a billion dollars—that is all it is. What does it amount to? It amounts to this—the repayment of a debt which we should have been paying for years, of about $50,000,000 a year over the last twenty years. That is all it amounts to—$85 for every person in Canada.

Is it enough? When we think of that billion dollars spent in this country, let us ask ourselves, what does it do. It creates work for our people in Canada. It is high time we did even more than we are doing so that the rest of the democracies will not think that Canada, as it has been so aptly put by some hon. members in this house, will benefit like nobody's business from the war. Let us make the situation clear, Mr. Speaker, so that the people of the democracies will know that Canada is not profiteering from this war.

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): I do not intend to speak at great length, but the inspiration of the last two speeches we have heard is different from mine. Of course, it is a long time since I read the story of "Alice in Wonderland", and I cannot conceive how the hon. member for St. Paul's (Mr. Ross) could compare our hon. colleague (Mr. O'Brien), so far as speaking is concerned, with Sir John Macdonald, Cicero, Demosthenes, Sir Wilfrid Laurier, and the leader of the opposition (Mr. Hanson). I respect the views of others, and although I would not follow the same path I admit that they are entitled to express such views, however extraordinary they may appear to anyone of ordinary understanding.

This is, of course, an important debate. As I said before, the discussion of war finance cannot be a matter of sentiment; it must be a matter of argument and reasoning, just the same as the conduct of the war itself. That great soldier, Marshal Foch, used to say that what was necessary in warfare was common sense. I suggest that what is necessary in war finance is common sense also. I make no pun on that.

My specialty is the reading of things that are very dull and that nobody else reads; but in making a comparison between certain things that are published at different times it is possible for one to know exactly what is going on, and the first document from which I shall quote is the pronunciamento of the 200 citizens of Toronto as published in the press of January 12 and 13, entitled "Total War Now". In this document it was stated:

> This is no time for a referendum. The responsibility rests squarely on parliament.

It continues:

> There is only one way to meet total war—by total effort—that is to mobilize all our manpower and material resources under a plan of universal compulsory selective service. Those who can serve best on the farms must work on the farms. Those who can serve best in the factories must work in the factories. And those best fitted to serve in the armed forces must be trained, equipped, and available for service in Canada or overseas anywhere at any time. That is the only way that our farms, our factories and our armed forces can wage total war. No half measures are consistent with national honour.

That document was an inspiration for another, an official document which was read by His Excellency the Governor General in the senate at the opening of this session, the speech from the throne. The inspiration for the speech from the throne was evidently the pronunciamento of the 200 people from Toronto, only with the difference that this document from Toronto does not mention a plebiscite, while a plebiscite is mentioned in the speech from the throne. Therefore there was a ransom for the plebiscite and the postponement of conscription; and in my humble view that ransom was precisely the gift of a billion dollars to Great Britain, which is the matter we are now discussing. In my humble view, sir, if there had been no pronunciamento by the 200 important men of Toronto, there would have been no plebiscite mentioned in the speech from the throne and we would not have an item of legislation such as this before us. Of course, sir, you may feel a little incredulous about it, but I am sure this is exactly what the historians will write fifty years from now.

Then, Mr. Speaker, statements of the utmost importance were made on January 26 by my revered leader, the Right Hon. Prime Minister (Mr. Mackenzie King). Since they have been referred to by the Minister of Finance (Mr. Ilsley), I hope you will not object if I read about half a page of *Hansard* of that date. It may not be strictly within the rules, but it is the best possible exposé of the policy of the government, especially with regard to a grant of such magnitude to Great Britain. The first matter is the one mentioned in the second place by the Prime Minister.

Mr. SPEAKER: Order. The hon. member is familiar with the rules of the house, which do not permit of a quotation from any speech that has been delivered during the present session. Only the other day I had occasion to direct the attention of another hon. member to that rule, and I hope the hon. gentleman now speaking will observe it also.

Mr. POULIOT: I agree with you absolutely, sir, and I am in the hands of the house. But that was the only time the matter was referred to other than in the speech from the throne. Moreover, the amount of a billion dollars was not mentioned in the speech from the throne; it was first announced by the Prime Minister on the occasion to which I have referred. If I read this excerpt from the speech of the right hon. gentleman, theore-

tically I shall not be within the rules of the house as they now stand; I admit and confess that. On the other hand, it is the only way in which I can present my argument on the matter. However, sir, it is not necessary to quote the text. We may refer to a previous debate without quoting the text of the words that were used. I need not read them; I shut the book. I have enough respect for the Chair not to argue on the matter, but I said what I did in order to show Your Honour two things: in the first place, that I am more or less familiar with the rules of the house, and in the second place, that I have high respect for Your Honour.

What is the situation? It is that with a previous payment of $400,000,000 and a future payment of $265,000,000, we are supposed to clear up all our debts to Great Britain. That is the first point. The second point is that at the present time Canada has securities to the amount of $700,000,000 in Canadian money held in Great Britain; and Canada's proposal is that the proceeds of the sale of all such securities held by citizens of Great Britain and sold outside Great Britain are to be deducted from the total of $700,000,000; also that the proceeds of the repayment of all Canadian securities held in Great Britain shall be deducted from that amount, and the interest on it will not be paid during the war. In other words, to summarize the situation, we were told that after we pay $265,000,000 for the purchase of securities or bonds, we shall owe nothing to Great Britain, that all our debts will be paid. Then we shall see to it that the sum owing us will be reduced by the sale of our securities held in other lands, or I presume in this land, and also there is a gift of the interest on that amount of $700,000,000. What the rate of interest is I do not know; but if the rate is 5 per cent, that gift amounts to $35,000,000 per annum. Then, after that is done, we are to give ammunition, machinery, food and many kinds of products to Great Britain to the extent of a billion dollars—not a billion according to the English banking system, which would be a million times a million, but to the extent of $1,000,000,000 in value. I am not going to split hairs, as bankers do when they speak of certain technical banking matters. I want to know only one thing: is that policy economically sound?

Coming to the elaborate speech delivered by my good friend the Minister of Finance last night, I have to reconstruct and reconstitute part of his speech with the figures he gave to the house. I was reminded of the great time when my hon. friend the leader of the opposition (Mr. Hanson) was Minister of Trade and Commerce in the Bennett government, at a time when we were compiling and comparing statistics. I pay him this tribute, that he was a very good Minister of Trade and Commerce, and had his leader been a better man he would have made a success of his department. But in England they are telling Mr. Bennett his facts so well that I shall not discuss him further now.

The Minister of Finance has mentioned Canadian exports to Great Britain per annum, and he gave the figures for 1940 and 1941. He did not, however, mention the imports for those two years. To find that figure I had to add together Canadian exports to the United Kingdom and other parts of the British empire during 1940 and 1941, and then subtract from that the deficit between our exports and imports in order to learn the value of the imports from the United Kingdom and other parts of the British empire to Canada in those years.

Of course the minister gave the figure for 1939. He stated that our imports in that year were valued at $188,000,000. In 1940, after that mathematical operation, it was found that our imports were valued at $249,000,000, or an increase of $61,000,000 over the preceding year; and in 1941 they were $279,000,000, or an increase of $91,000,000 over 1939. Those figures show some progress.

But there is another point to consider, one which I do not understand. I must say that I find it marvellous. I remember that some time after the completion of the first year of the war I read an article in one of the Ottawa papers to the effect that the difference in British exports to the whole world in the whole year was either $1,500,000 or $15,000,000. The meaning was that the year after the war shipments made by Great Britain to all countries of the world were only that much smaller than they had been in the previous year of peace.

The tariff has been changed to enable Great Britain to send us more manufactured goods. We are making more munitions in Canada. It is all right to make more munitions for our allies; I am all for it. But if munitions plants in Great Britain are in danger on account of bombardments, I suggest there is another risk to be considered, namely the risk of crossing the ocean. A much greater quantity of ammunition has been lost through the torpedoing of ships than through the bombardment of munitions factories in England. There is the risk of transportation, and there is the additional embarrassment of distance. I cannot understand why most of the munitions for Great Britain are not manufactured in Great Britain itself. Why are they manufactured so far

away? Of course conditions are somewhat different for aeroplanes, although some are manufactured in England.

These are matters concerning which I am open-minded. I do not change my views simply because Mr. So-and-so has other views. I wish those who think differently to be good enough to reason with me, and to give me their argument as to why it is better for Great Britain to manufacture commercial goods in that country during the war and ship them overseas, and then have most of her munitions made in Canada and the United States, thereby running the risk of crossing the ocean. That is one point. I have been in England, and I know many English people. I have some good Scotch friends; I have some good English friends, and I have some good Irish and Welsh friends. I have the deepest admiration for the British people, but I wonder whether those who have the responsibility of governing over there now, with the exception perhaps of Mr. Churchill, are worthy of the British people. I made an exception of Mr. Churchill.

An hon. MEMBER: Who are you to judge?

Mr. MacNICOL: The Hon. Ernest Bevin is doing a good job.

Mr. POULIOT: That is the opinion of my hon. friend, and it is a respectable one.

An hon. MEMBER: What about Sir Stafford Cripps?

Mr. POULIOT: Stafford Cripps gave them hell—excuse me, sir—he spoke roughly. I have not been there for a few years; but Sir Stafford Cripps is there; Mr. Eden is there; Mr. Morrison is there, and even Mr. Bevin is there, to whom the hon. member for Davenport (Mr. MacNicol) referred. They have not been tender in their language to their fellow citizens. They have not used pink-tea expressions in order to tell them what they thought at times. Are we to kneel down in a humble way to express our admiration to any one? No. Moreover, it might not be tolerated in Britain. They have freedom of expression. I would remind the house of what was said by Mr. Gegood, a labour man from Northern Ireland, about Lord Halifax. His remarks passed the British censor; they passed the United States censor and were published in the New York *Times*. This has reference to the Rio Tinto incident which was discussed widely in the press of the world and especially that of the United States. I have here *PM* of February 17 which contains an article about this similar to the one which appeared in the New York *Times*. They refer to the way in which Sir Samuel Hoare and others acted. The article is entitled "Rio Tinto Output went to Axis", and the other headings are:

British Tory Scheme for Helping Franco.
Would Ship Him Mining Machinery Despite United Nations' Needs.

That was a dispatch from Mr. I. F. Stone, who is no isolationist. I wonder whether we shall not be misjudged in Great Britain if we pass legislation like this? Never in the history of the world have we seen a free nation, a nation not vanquished, paying tribute of this kind. It is the same amount that was paid by defeated France after the Franco-Prussian war. In French we call it "cinq milliards," because one franc is only one-fifth of a dollar. We are making a billion dollar gift. Either Britain is able to pay now, or she is not. If she is able to pay, I am sure that she will honour her obligations. If she is not able to pay now, she may give a promise of payment which, when the war is over, will enable Canada to discuss the settlement of all these matters, not as a nation whose benefactions are forgotten, but as a nation which is in certain respects a creditor nation.

The feeling in Canada is one of sacrifice, and financial legislation of this kind is not inspiring. We should not look upon this war as though we had lost it. I disagree fully with the statement made the other day by the Minister of Labour (Mr. Mitchell) that if we win this war, it will be only by a miracle. My deep conviction is that that was an erroneous statement of a man who had been working too long hours that day. It should not be permissible for a minister of the crown of any country at war to state in parliament that the war will be won only by a miracle even if he adds that miracles may happen. Imagine the encouragement that was given to our enemies when they read that statement by a minister of the crown of Canada!

Mr. JOHNSTON (Bow River): You want to get your head out of the sand, too.

Mr. POULIOT: I do not understand my hon. friend, except when he is right. I will confess that I never understand him. He is too bright. I give him credit for that, and it is social credit; it is more than a $25 promise that was never kept. Although I am concerned and worried, I am not fearful about the result. My only fear is that the logical consequence of legislation of this kind will be that it will attain an altogether different purpose from that intended by its sponsor. You remember the Boston tea party. The Boston tea party was the cause of rupture between New England and old England. It was a matter of taxation. It is very dangerous to play with finance as some college professors

do. My fear is that if we cannot meet our tremendous obligations of this kind, Canada will inevitably fall into the hands of the United States of America, and then my hon. friends who foresee in this legislation a bright future for Great Britain would be very sorry if it meant the turning over of Canada to the United States. We have a mission on this continent, we Canadians of all origins and of all faiths, provided that we stand together and provided that we first consider Canada as our country—and I want Canada to remain British. We are all ready to make sacrifices to help Great Britain, and I am sure that if the Canadian government continue their policy of giving all possible aid to Great Britain, but on the same conditions as before, with an acknowledgment of debt for what we have done, we shall be more respected by the British people over there. I know them well enough to say that. Furthermore, it would save a lot of difficulty when the time comes for us to dictate peace.

I am sure, sir, that you are not scandalized by my language because you know that, after the last war, by virtue of the Versailles treaty this country of ours did not get any of the enemy's possessions while all the other dominions were given colonies which had belonged to other nations. South Africa and Australia both got enemy territory. Here at the gate to our country, in the gulf of the St. Lawrence, lies the island of Newfoundland, and there is also Labrador, on which Canada is erecting immense defence works. Why did our government not discuss the matter with the British government and tell them: "We are ready to defend Newfoundland, we are ready to defend Labrador; we have sent men to the north to Greenland and to Iceland, and all we ask in return is to be given a preference over the United States in the possession of any British territory. That has been done by Australia, a country whose name is applauded every time it is mentioned. It has been done by the loyal citizens of South Africa; it has been done by the loyal citizens of New Zealand. Even over that little island of Nauru in the middle of the Pacific ocean from which most of the German fertilizer used to come, New Zealand or Australia has been given a mandate. So it was given to another British dominion. But we have got nothing. I hope that this government will show more pride when they discuss these matters with other nations.

I find it illogical to hear so much said about the statute of Westminster when there are perhaps one hundred thousand statutes of Westminster to be found in any parliamentary library. The statute of Westminster was supposed to give this dominion autonomous rights, and yet on the other hand we are doing everything that is asked for by one of our allies. We have to do all we can to help our allies in this war, but there is one thing we must not fail to consider. We must not destroy British citizenship in this country in the future by doing more than we can afford. We have no right to do that. The desire of the Canadian people is to remain under the British crown, as we are now, and when our soldiers deliberately and voluntarily go overseas they go there to defend the King of Canada. It is time, sir, to think of Canada as our own country, to consider first the interests of Canada, and therefore to see that legislation submitted to the house is submitted, not as a matter of sentiment, which is very dangerous, but purely as a matter of reason and patriotism.

Before closing, I have just one other reference to make. It is impossible to get complete trade statistics in Canada. You may see a big book, that is the "Canada Year Book." It is full of straw. The real information about trade is not in it. Here in my hand I hold a condensed statistical record of the trade of Canada. It was sent to me last summer, marked confidential. This is the first time that datum on trade was considered confidential. Of course, it may be said that it is not in the public interest during the war to inform the public about shipments of arms and munitions, and so forth. I agree, but the manufactured goods we receive from England are mostly commercial goods, and I cannot see why on earth it is impossible for us to secure full information on the matter.

When I said that we should not consider financial matters as if we were to lose the war, what I meant was this: It is impossible to think of destroying the fortunes of the citizens of Canada during war time so that they are all beggars after the war is over. We cannot afford to lose our trade during this war. We have the example of Great Britain. Great Britain continues her trade. There are advertisements in the press all the time to that effect: "Britain delivers the goods." Britain gives us a great example.

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

Mr. J. R. MacNICOL (Davenport): Mr. Speaker, when I first heard or read that the government contemplated contributing a billion dollars to the old country in the form of goods to carry on the war, I felt elated; and when the minister introduced his resolution I was proud of being a Canadian, because at last this country is taking a big and generous step toward assisting the old land, without expecting

any return. I congratulate the minister upon bringing in this resolution. I might add that I am proud to represent a constituency in a city which contributed, in the recent war loan campaign, well on to one-fourth of the $900,000,000 which was raised, and I am no less proud to come from a riding which manufactures, perhaps to a larger extent than any other, munitions and equipment.

I am not going to take up much time. I believe that the shorter the speeches in a debate of this nature, the more credit we shall reflect upon ourselves and our country. The minister referred to the volume of trade between Canada and Great Britain and between Great Britain and Canada. Reading over his figures, I could not but feel that after the war we shall have to try to balance such figures as those, indicating as they do that Canada purchases so little from the old land in comparison with what they buy from us. I believe the minister said that in the year 1938 we bought from Great Britain $113,000,000 worth of goods and exported goods to her of the value of $331,000,000. That is not a fair balance of trade; and I trust that when the war is over, when we send our ships to the old country laden with materials produced in Canada, they will bring back a no less quantity of material produced in Great Britain. A fair exchange is always desirable; when it is lopsided it is always unsatisfactory. That is particularly the the case when during the same year we imported from our cousins to the south—of whom I want to speak in the kindest manner; to-day they are showing themselves to be brothers rather than cousins, by the way they are taking part in the great conflict in which we are so vitally interested—$424,000,000 worth of goods, and shipped them only $339,000,000.

The minister referred with pride—and I agree with him—to the vast quantity of munitions which we have sent to Great Britain. We have also forwarded large quantities to Egypt, South Africa and Australia. I have seen many train loads of war munitions, destined for these countries, shipped from my end of the city of Toronto. For that achievement Canada and Canadian manufacturers and the workmen in these factories deserve unstinted praise. I am told that one-half the shells which are being fired by the allies to-day, whether made in Canada, Great Britain, Egypt, South Africa or Australia, are made by machines that were built in Canada. That is a great tribute to Canadian ingenuity. I often regret that the government did not take to heart at the time something which, may I humbly mention, I said to them after my last trip to the old country and various European states, where I had gone particularly to make a survey of industry, and visited a great many factories. On more than one occasion I met British industrialists who were about to make large additions to their plants, anticipating as they did the war and the probable construction of new plants or additions for making munitions of war. Some wished that they could build those plants elsewhere, and I discussed with a number of them the desirability of putting up the additions in Canada. When I returned here I suggested that some arrangement might be made whereby they could erect their new plants in Canada and ship the plant equipment from and their products to the old country without duty charges either way. Not only would it have been of great value in the prosecution of the war, because branches moved to this country would not have been destroyed, but it would have been a great thing for Canada, and would have preserved to old country investors the value of whatever investments they made in building their plants here. But, as some other hon. members have pointed out, no suggestion by a private member is given any consideration at any time, particularly if he is on the opposition side.

Anyway, I am proud of what Canadian industrialists and Canadian workmen have done in producing munitions and shipping them to all parts of the empire.

In his speech yesterday the minister said, as reported in *Hansard,* page 1418:

> We cannot make the tanks, the anti-aircraft guns, the mechanized equipment of all sorts which we have supplied to our British allies, entirely out of our own domestic resources.

But we should have been in a position to make a larger percentage of these munitions in Canadian plants than we are doing. Not that we are not doing very well, but we could have been in a better position had the government—although I am not criticizing it—been seized with the great value of producing these things in Canada. I am sorry to say that the government in the past has shown itself too anxious to purchase various commodities, particularly manufactured equipment, outside Canada than in Canada. We should have been and could have been in a better position to produce more munitions and in greater variety than we are doing.

The iron and steel business is one with which I was associated. The minister has heard me say before that the government should make every effort to encourage the production of iron ore, of which, of the high grade and low grade, we have an inexhaustible supply. We could have done that because like Great Britain, and just as much as Germany almost, we anticipated the war. We saw it coming but were not just in a position to do our full share in the production of war munitions, which consist for the most part of mechanized

equipment manufactured largely from steel and iron. I would ask what the government is doing right now to increase the production of iron and steel in Canada. Are we to-day doing on lake Superior what our cousins to the south are doing on lake Superior, clearing the ice from Michipicoten harbour so that Algoma iron can be loaded there and shipped to the steel mills of Sault Ste. Marie? I do not know what we are doing, but I know they are doing it in the United States. They have their ice-breakers on lake Superior breaking ice so that they can start what they predict will be the largest shipment of iron ore by lake transport in the world's history. They are planning to ship this year one hundred million tons of iron ore to the steel plants in eastern states. They are at it right now, and if we are not at it we should be. We ought to be up and doing. We ought to be prepared to expedite production, because, after all, the war cannot be won without the production of necessary mechanized war equipment. That is more necessary almost than anything else.

The same applies to other industries as well. I have said before, and I say again, that we have imported iron and steel products to too great a value. I have been fighting for years, ever since I have been here, for the development of the Canadian iron and steel industry to bring it to a much greater position than it holds to-day. I can hardly picture this country continuing to purchase such vast quantities in tonnage and in dollar value of iron and steel equipment from outside Canada, principally from the United States. I am not opposed to trading with the United States. Like everyone else I have a very warm feeling for our cousins to the south because of the way in which they have shown themselves as friends of ours and of the empire in the present conflict. But I am Canadian first, and I am for production in Canada. I am convinced that more could be done if the government had a proper conception of the industry, of the value of the iron and steel industry, or if there were more in the government who had a thorough knowledge of the industry in a practical way. I do not mean such knowledge as is acquired by walking through a factory. I am amused to hear tales as a result of walking through factories. It is as if I walked through a lawyer's office and called myself a lawyer in consequence, or if I posed as a doctor as a result of a visit to a doctor's office. The business of the production of iron and steel is something that a man learns after many years of hard knocks in that school and in the operation of plants and machinery.

Mr. ILSLEY: There has been a great increase in steel making capacity with government assistance.

[Mr. MacNicol.]

Mr. MacNICOL: I have said that, but it could be a great deal larger, and I could have made it a great deal larger. I know where the raw material is, and I know how plants could be built and put into operation. The minister spoke of both iron and steel and that is why I am discussing the subject. He also spoke of coal and oil. Canada has within its borders, I am told—and I see this by statistics—one-fifth of the world's coal resources, at least the known resources; and yet we are importing well on to $30,000,000 to $40,000,000 worth of coal yearly. That money has to be sent out of the country. Would it not be better to use a considerable portion of that money in buying larger quantities of Nova Scotian coal, larger quantities of Alberta and Saskatchewan coal? We would keep the money in the country and would be debtors to one another and not to outsiders. I hope, therefore, that during this year, and as long as the war lasts, the government—and they will receive a good deal of commendation if they do this—will encourage buying coal in Canada from Canadian coal producers in much larger quantities.

I believe we are producing about one-half of the coal we use; but why should we not produce three-quarters of it and save that money for Canadians? The same thing applies to oil. Later on, I am going to make a speech on oil. I am one of those who believe that Canada should be an exporter instead of an importer of oil; yet in 1938 we imported approximately $50,000,000 worth of oil and its products, and this year I venture to say it will be nearer $75,000,000. I make this statement—and I am prepared to defend it against anyone who is willing to stand on a platform with me—that a large proportion of that oil could be produced in Canada, and it should be. I shall not say anything further on that point at the moment. When the minister referred to coal, iron and steel, and oil, it gave me an opportunity to say something about these commodities.

I am told, though I hope it is not true, that the government has in contemplation either abolishing or, at any rate, making inoperative the housing act which has rendered such excellent service in Canada during the last few years. If the housing act is repealed, a great number of people in my riding, and in other ridings as well, will be thrown out of work. It will affect carpenters and other tradesmen who are connected with building. The government wants the steel that enters into the production of equipment for munitions, but on the other hand men must have suitable habitations and their houses must be properly equipped. Let me give a case in point. Recently I had to buy for some of my buildings several ordinary 30-gallon galvanized

iron boilers. It seemed as difficult to get these galvanized iron boilers as to move the Bank of Toronto from King and Bay streets to the corner of King and Yonge streets. I hope the government will take steps to see to it that the average householder, or the ordinary small builder putting up homes for our working men, is not handicapped through inability to get repairs or new equipment for houses which the common people, the ordinary householders, must live in. When I say the common people, I class myself as one of them.

There are two other items which I wish to discuss for a moment before I am through. Let me refer briefly to the first of these items, the Alaska highway. It seems to me the government has fallen down in making preparations to assist in building or to permit our United States cousins to build a very necessary military war road. I am all for it. The government knew—because it was contemplated for a quite a while—what the situation was with regard to that road; and what did they do to make it possible for contractors or others to send materials to Fort St. John?

As far as I know, little was done. There is only one bridge across the great Peace river, and that is at the town of Peace River. The banks along that river are high, averaging 900 feet in height. At the moment I am told that traffic going from Dawson Creek north to Fort St. John, some twenty-five miles away, more or less, has to go down off the plateau, be ferried over the river, and up onto the plateau again on the north side. Had the government been alive to what it must have known would come to pass, namely the construction of that road, surely the road could have been projected on from the terminus on the north side of the river to Rose Prairie, which is some twelve miles or more north of Fort St. John. The cost to the United States contractors is going to be heavy and, in addition, there will be great delay in having to ferry equipment across the river instead of having it cross by bridge. That is just an aside, something the government should have considered if it had looked ahead to what had to take place.

I shall conclude with one further reference, a matter to which my leader referred the other evening very briefly and which, I know, will be referred to a great deal more later on. I believe this matter was introduced last session by the hon. member for Témiscouata (Mr. Pouliot), and supported at that time by myself. I want to protest just as strongly as I can against whoever is responsible for cutting out the printing of the public accounts as fully as formerly. In past years I, for one, carefully searched the public accounts, and on many occasions was able to obtain interesting and valuable information from the government by asking questions with regard to items I found therein. As published heretofore, I always looked upon the public accounts as the watchdog of the Canadian treasury, because many hon. members searched those accounts very carefully.

I should like to mention only one item to show what this means. Some years ago a yacht was purchased by the government. I am not speaking of this in a political way. It is immaterial whether it was the present government or the past government; this is what often prevails—perhaps too frequently—and what can be discovered by searching the public accounts. This yacht was purchased in 1934 for $1,510. Between 1934 and 1939, inclusive, the public accounts revealed that repairs to that yacht had cost this country $6,884.32, or more than four times the original cost; that gasoline and oil to operate the yacht, only during the summer and only for occasional use, had cost $2,215. It is items such as this that members of parliament like to dig into, in order to urge the government to cut out waste. This is my closing word, that in whatever the government does during this war, when the public are so willing to contribute money generously and on the other hand are so anxious that every dollar be spent legitimately and without waste, it is imperative that members of parliament be given every opportunity to scrutinize every expenditure made by the government.

Mr. E. G. HANSELL (Macleod): Mr. Speaker, I rise to make just a few observations in connection with the resolution under discussion. I must say that I do not see how anyone could oppose a measure that would provide a billion dollars' worth of credit to the people of Great Britain, who for over two years have experienced the hardship and suffering of war. They are a people with great fortitude and, I believe, great faith in the other nations of the British commonwealth. It is only right and proper that we should come to their assistance in times like these, by measures such as those proposed by this resolution.

I do not speak to this resolution as an expert on monetary technique. I do not consider myself such. I am like many others, a mere student, one who has a desire to learn. As I think of this measure in that way, I may get something of a cue from the minister's speech in introducing this resolution in the house, as it appears at page 1421 of *Hansard* for March 18. He said:

In essence, the proposals are simple and straightforward; but because of the number

and nature of the various transactions involved, and perhaps also because they deal in part with matters of exchange, which is a mystery to many persons, the details and perhaps the bill itself may appear complicated to many members of the house.

I was particularly interested in that remark, because I think we have reason to realize that this matter of money, not only internally but externally, as it is related to transactions between one country and another, is sadly misunderstood. It is a subject that does seem to be mysterious; it is a subject that somehow or another has been kept in the dark for a good many years. I recall on one occasion talking to a certain gentleman who, I think, would be regarded as an intellectual; at least he had graduated from a university and had taken some post-graduate work. In talking to him on the subject of money, I asked if he would answer one question; that was, where money came from, how it came into existence. He replied, "Well, of course, if I have a field of wheat out here, that is money." I said, "Do you mean that dollar bills grow on the ends of the stalks?" "Oh," he said, "no, no, no, no, no." Then I said "Well, what do you mean? I asked you where money came from." The only answer he had was, "Well, well, well, well, well." I have asked more than one person the same question, and I have discovered that some people who are quite intellectual and bright have not understood and have not solved some of the rudiments of this matter known as finance or money.

I was coming east on the train not so long ago and happened to be in the same seat with a man from—well, I will not say where he was from, but he voted for one of the ministers on the government side of the house. When he learned who I was, of course we talked a little bit about politics, and I discovered he was a very good Liberal. He went out of the coach, returned a few minutes later, sat down and said, "Well, Mr. Hansell, tell me: Where is Mr. Aberhart going to get his money from?" So I said to him, "Well, now, Mr. So-and-so, if you will tell me where Mr. Ilsley gets his from, I think I would be in a better position to tell you where Mr. Aberhart would get his." Well, he began to stumble and stew and sweat a little bit, and spit a little bit, and then I began to explain a very few simple things to him. I said, "You see, Mr. So-and-so, it is not social credit you do not understand; it is not Mr. Aberhart's money you do not understand; it is Mr. Ilsley's money you do not understand."

I am quite certain there may be very similar conceptions with respect to a resolution such as this—and, mark you, I have prefaced my remarks to-night with a commendation of the government's action in granting to Great Britain this gift of a billion dollars. I think this gift should be made. I am in favour of the resolution. But there are some things upon which perhaps some light should be thrown. The minister has said that this is a gift to Great Britain. I wish to compliment him upon his speech in introducing the measure, because it was a good speech. It is couched in nice language; it is clever, and I do not think he misses the mark. But sometimes there is a great danger when one deals in generalities. Sometimes people are past masters of that. I am not accusing the minister on that score, but I must say that when he talks about this gift to Great Britain he uses these words, as they are reported at page 1421 of *Hansard*:

> In order to prevent the further rapid accumulation of sterling balances, the government believed that the best course to follow was to make an outright gift to Britain of the foodstuffs, raw materials, planes, tanks, guns and other war supplies which we would send to her, up to the value of $1,000 million.

That is a very carefully worded statement. Then, further down the page we find this:

> . . . I have referred to earlier as the Canadian dollar deficit of the sterling area. This deficit of course arises almost entirely from Britain's requirements for foodstuffs, raw materials, munitions and other war supplies purchased here, so that the proposed gift will, in effect,—

That is a very clever phrase.

> —take the form of these war supplies.

The gift is spoken of in general terms, and I believe the people assume that it is in reality a gift of foodstuffs, guns, tanks, aeroplanes and war munitions to the British people. What I am asking is this: If it is a gift to the British people of foodstuffs, and so forth, and so on, will the British people receive those foodstuffs free of charge? That is a question which perhaps has not dawned upon many people. The fact of the matter is that the British people will not get those foodstuffs without paying for them.

When I make that statement there may appear to be some confusion of terms. Let me put it in another way: We shall suppose that this billion dollars' worth of goods is sent to Great Britain in 1942. They are all stamped "Made in Canada, 1942". On every can we shall suppose the words, "Made in Canada, 1942", are placed; on every side of bacon, "Produced in Canada, 1942"; on every sack of flour, "Milled in Canada in 1942". This, we say, is a gift to Great Britain.

I have a mother and father living in Great Britain. Am I to expect that my mother

and father will receive as a gift so many sacks of flour, so many sides of bacon, so many cans of foodstuffs, so much clothing?

Mr. GRANT: No.

Mr. HANSELL: My hon. friend over here says no. Then, how is it a gift? That is a question which should be answered. I believe I know the answer, and if my answer is not correct the minister can correct it—for I confessed a while ago that I am only a student, perhaps only an infant, in the study of these matters. There is much that I do not know, and sometimes the mystery seems to me to become a little darker, the further I get into it.

I should like the minister to throw some light on that. We say it is a gift of foodstuffs; and yet when the British people come to get it, they have to pay so much in pounds, shillings, or pence, or whatever the price may be. The fact of the matter is that this billion dollar gift has to be financed from somewhere. Our farmers are going to raise hogs to produce bacon. They are going to grow wheat. They are going to produce the foodstuffs to be canned and sent over there. I use foodstuffs only as an illustration. They are not going to do that for nothing; they are going to be paid for them. The British people who buy those things in their own localities are also going to pay for them.

Mr. McCANN: What about giving it to the army?

Mr. HANSELL: It does not make any difference, technically. I am only using this as an illustration. If it is given to the army, then the British government pays for it, which means that in the end the people have to pay. My hon. friend is only a student.

Mr. GRANT: The British government does not pay for it at all.

Mr. HANSELL: Here is an hon. member who says that the British government does not pay for it. Two Liberals disagree. Perhaps my hon. friend over here has not reached the stage of being a student. Let us go on. The fact of the matter is that we are raising in Canada by way of loan a total of one billion dollars from our own institutions. That billion dollars will pay our farmers, our manufacturers or whoever produced the goods. They are shipped to Great Britain and Great Britain is not charged for them. But the British people pay for them just the same. The result is that the British government has one billion dollars more in their treasury.

Mr. McCANN: That is what constitutes the gift.

Mr. HANSELL: That is what constitutes the gift, and I have nothing to say against it. I am not opposing that. I am simply pointing out that we are raising a billion dollars here to pay our farmers and our manufacturers; we are going into debt to the extent of one billion dollars. The point is that we have taken one billion dollars' worth of debt that Great Britain would otherwise have owed us, and we have converted it into internal debt in Canada which the Canadian people here owe to the banks or whoever create the credit.

Mr. ILSLEY: Let me correct that right now. Do not let that idea get abroad at all. The internal debt of Canada will be no larger as a result of this transaction than it otherwise would be. If we were to sell this to Great Britain and take sterling in pay for it, we would have to borrow the billion dollars that my hon. friend speaks about from the Canadian people and take the money and pay the Canadian producers for the goods. But in that event we would send the goods to Great Britain and we would take sterling in return for them. So we are not converting a debt from Great Britain into an internal debt in Canada which otherwise would not exist. The internal debt in Canada will not be one dollar larger because we are doing this, nor will the taxes in Canada be one dollar greater than if we were not doing this. I ask my hon. friend to make that clear. I think he understands what I am saying. I want him to make that clear before he goes any further. We are not transferring international debt from Great Britain into internal debt in Canada and thereby saddling our people with a billion dollars of debt which otherwise would not exist. That is not so at all.

Mr. HANSELL: I thank the minister for correcting me where I was perhaps wrong in my technical language. I think, however, I am right in saying that there will be no billion dollars of British collateral standing against this?

Mr. ILSLEY: That is correct.

Mr. HANSELL: Our debt will be increased, but it would have been anyway if we had shipped the goods.

Mr. JACKMAN: The fulfilment of a total war creates a debt.

Mr. HANSELL: I am being instructed from all directions by the Conservative party.

Mr. HANSON (York-Sunbury): You may learn something yet.

Mr. HANSELL: I do not think they have corrected anything I have said, although the minister corrected my technical errors. I

go a step further and perhaps the minister will correct my technical language here if I am in error. I have not spoken a great deal about the technicalities of our money philosophy because there are other men more capable of doing that. I usually spend my time in speaking on other bills and relieve these men so that they can devote their time to the monetary technique. But I have had to meet these things because of my position in this small party. You meet men every day who ask about these technical subjects.

The point I want to make now is in reference to the prices that will be paid for these goods which are being produced in Canada. Some of these goods will be raised at a loss, especially those produced by the agricultural industry. I do not know how that can be remedied, but I am sure that this billion dollars' worth of credit will not be created at a loss. That is something that is worth considering. These farmers who will be raising these foodstuffs have taxes to pay and other things to buy into the bargain. As they put in their crops or as they attempt to raise their hogs they find they need a line of credit. I have nothing against these institutions. We do not talk against the banks. People get queer, screwy ideas about what we talk about. We have to have money and we have to have credit; the thing is that our banking institutions are doing for us what the government perhaps could do for themselves.

These farmers go to the purveyors of credit and say that they would like to borrow some money in order to produce these goods which are eventually going to Great Britain. They get their loans, but they will have to pay interest. The banking institutions are not going to lose money on these loans. Interest rates will be 4, 5, 6 or 7 per cent; I do not know how much they will want to charge the farmers. So these farmers raise their hogs, wheat or other products and, when they are sold, they find that if they get any profit, it is just a bare profit. I doubt if there is any profit when costs of operation are taken into account. Anyway the financial institutions have advanced the loan and are paid their interest. But they also create the billion dollars and they get interest on that, too. What I am saying is that there should be some responsibility placed upon the financial institutions with respect to this gift to Great Britain. This credit is created at the stroke of a pen; let us make no mistake about that. So I say that they should bear some responsibility with respect to the billion dollar gift to Great Britain.

Mr. JACKMAN: What would you suggest?

[Mr. Hansell.]

Mr. HANSELL: That is all right; but as a matter of fact, Mr. Speaker, the negative in any debate is not to suggest.

Mr. ILSLEY: Yes, but—

Mr. HANSELL: It is all right to say, "yes, but."

Mr. ILSLEY: Yes, but this is positive.

Mr. HANSELL: We have been here since 1936 and have been propounding and suggesting all along. People have laughed at and ridiculed our suggestions, but we find that eventually the government goes behind a corner and gets into a huddle and says: "I guess we shall have to do this," do in part what we have been suggesting, because circumstances sometimes force them to do that very thing. We are not seeking to tell the government how to run the country. But we do wish to point out certain things where we think we can be of assistance. I am not opposing this measure.

Reverting to what I was saying about financial institutions bearing some responsibility in this matter, may I refer to the speech made by the hon. member for Essex East (Mr. Martin) this afternoon. He complimented the Minister of Finance and the government, and rightly so, I think, upon giving by this measure what he said was leadership to the world, to those who will hold a primary creditor position after the war. I have no criticism to make of that statement. I think the government is giving some lead in one respect. All that the hon. member for Essex East meant by giving leadership was giving leadership in the cancellation, shall we say, of certain debts owed to Canada by other nations, which might have to be done in any event after the war. That is all right. But where the government is giving more of a lead to other nations is in another part of this resolution, in clause 2, where the government is permitting the $700 million part of the British debt to remain at a standstill, without interest, for the duration of the war. I commend the government for that action. I should like to go so far as to say that perhaps that is what should be done with all foreign obligations throughout all the democratic countries which are fighting together in this war.

There is, however, one matter I would bring to the attention of the Minister of Finance in connection with clause 4 of the resolution, where provision is being made for the borrowing of one billion dollars. On that we are going to pay interest. Would it not be feasible to propose that since this billion dollars of increased debt in Canada is created by our own financial institutions, it should at least be created free of interest? We are taking the

responsibility of allowing $700 million of British debt to stand without interest to the British people for the duration, but we are asking our own people to pay interest on the billion dollar debt that we are creating for the purpose of giving a billion dollars' worth of goods to Britain. It seems to me, therefore, that the logical thing to suggest is to delete the words "and interest" from that clause. I do not see why the minister will not do that. I feel that I or somebody else should propose an amendment accordingly to clause 4, perhaps when we are in committee. The minister might do it himself, but I do not think he will.

I do not know what interest will be charged on this one billion dollars, but if the rate were 2 per cent, the interest would amount to $20 million a year. Therefore the Canadian people are going to be, not only in debt to the tune of one billion dollars but, if the rate is 2 per cent, in debt, too, for an additional $20 million of interest every year, and, if the interest is compounded, it will be even more. Why could our own financial institutions in Canada not say: "We will service this at one-half of one per cent, or whatever it may take, and we will create the money without interest." I am not saying, without debt.

Mr. HANSON (York-Sunbury): If I may ask a question, if I pay $10,000 a year life insurance premium to the Canada Life and they lend it to the government, what is going to happen to the profits on that $10,000 which I invest in a Canada Life policy? I am to shoulder the burden, not the institution.

Mr. NOSEWORTHY: Why should you get any profit on your $10,000?

Mr. HANSON (York-Sunbury): Did the hon. member never hear of the sanctity of a contract made before the war?

Mr. HANSELL: I do not want other gentlemen to take up all of my time, but I would answer the leader of the opposition in this way. Perhaps I have been dealing with this billion dollars as a billion dollars of created credit. It may not all be created; I realize that. All I say is that interest should not be charged upon the credit that is created. My hon. friend, even though he be the leader of the opposition, makes no distinction at all between the investment of money which the insurance companies already have and the creation of fresh credit with the stroke of a pen by the purveyors of credit, by those institutions to which parliament has given the right to create credit. There is all the difference in the world between the two. I do not create any money; my hon. friend does not create any money, nor does any insurance company or any mortgage company. But the banks do create money; that is their function, and I say that when credit is created for the purpose of servicing a gift to Britain it should be created free of interest charges. Surely that is not asking too much.

I wish to deal with just one other phase of the speech made by the hon. member for Essex East this afternoon. He did not conclude his speech without referring to what the hon. member for Acadia (Mr. Quelch) had said in respect to the seven-man committee of the government which is now working on post-war reconstruction. In referring to that he said that the hon. member for Acadia was entirely unfair to bring into his speech the fact that Doctor James, the principal of McGill university, who heads the seven-man committee, was of a gold mentality, had been advising the government, and perhaps as an adviser to the government had been advising them along lines that he himself supports—this same gentleman having been sent by the government to Great Britain to consult on post-war reconstruction. The member for Essex East said that the hon. member for Acadia was unfair, and he asked why the hon. member for Acadia did not bring in, for instance, the remarks which the Minister of Pensions and National Health (Mr. Mackenzie) made in Toronto.

I should like to deal with that for just a moment, because I assert that there is no essential difference between the remarks made by the Minister of Pensions and National Health, at Toronto or at any other time, and any remarks which Doctor James has made, in connection with post-war reconstruction. Or I will put it in this way: There is not a single, solitary sentence which the Minister of Pensions and National Health has ever uttered on this subject which Doctor James could not support wholeheartedly; he could say "amen" to anything the minister said. It seems to me that the hon. member for Essex East was unfair in the observation he made. Doctor James, as chairman of the seven-man committee on post-war construction, is an adviser to the government. I might say in passing that I am still waiting for the minister to say what is the policy of the government in respect to post-war reconstruction. He has not said anything yet. Bringing down bills for soldier reestablishment is not the thing for which this country is primarily looking. It is good in its place; we have nothing to say against such measures; but we are looking for something more.

Mr. HANSON (Skeena): Looking for $25 a month.

Mr. HANSELL: You know, it is the strangest thing in the world—

Mr. JOHNSTON (Bow River): That a man will wake out of his sleep to make such remarks.

Mr. HANSELL: I ask my hon. friend, is there anything so mysterious about being able to pay the people of Canada $25 a month? He seems to think there is.

Mr. HANSON (Skeena): Why don't you pay it?

Mr. HANSELL: Let me tell my hon. friend over there who pounds his desk when he speaks, that the government of Canada are spending enough money to-day for things to blow into the air, to pay every adult citizen in Canada a dividend of $75 a month.

An hon. MEMBER: Oh!

Mr. HANSELL: Well, figure it out for yourself.

Mr. JOHNSTON (Bow River): It is too much arithmetic for them.

Mr. GARDINER: We are spending that money to keep them from getting blown into the air.

Mr. HANSELL: I am saying that is what they are doing. They are getting the money to blow into the air. To say that they could not get the same amount of money to feed the people is so illogical that I think the hon. member must have been awakened, not only out of sleep but out of a dream. I suggest to him that he go back to sleep and finish his dream. Perhaps he will dream how that can be done.

Mr. HANSON (Skeena): If I pound my desk more than I speak, the reason is that I know my limitations, and I believe in not taking up time by talking nonsense.

Mr. HANSELL: I was referring to the hon. member for Skeena as the one who apparently woke out of his sleep.

Mr. JOHNSTON (Bow River): The one was pounding his ear and the other was pounding his desk.

Mr. HANSELL: I do not mind these interruptions. I must say that *Hansard* reads a little better when there is not a solid mass of type to read.

I have here an article entitled "To-day and To-morrow", which is an address broadcast from Ottawa by the Minister of Pensions and National Health; it was published in the *Labour Review* of October, 1941. The minister was talking of things as they exist to-day and things as they must exist after the war. I am going to read a few excerpts for the benefit of the hon. member for Essex East.

Mr. DEPUTY SPEAKER: I must draw the attention of the hon. gentleman to the fact that his time is up.

Mr. HANSELL: I have nearly finished, Mr. Speaker.

Mr. DEPUTY SPEAKER: The hon. gentleman can continue only with the unanimous consent of the house. Has he the unanimous consent of the house?

Mr. ILSLEY: I have had to do this before, and it is a disagreeable thing to do, but I must say that it is all out of proportion for lengthy speeches to be made at times like these on a debate such as this. I think that the forty-minute rule ought to be observed by everyone.

Mr. DEPUTY SPEAKER: The hon. member's time is up.

Mr. HANSELL: Thank you, Mr. Speaker. I regret that the minister made that last remark. We can discuss the resolution in its committee stage, and I am quite willing to accommodate the minister. I must say, however, that other hon. members have wasted more time than I did. I shall discuss the question later.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, inasmuch as it is so near eleven o'clock, I wonder whether we may call it eleven o'clock.

Some hon. MEMBERS: No.

Some hon. MEMBERS: Yes.

Mr. DEPUTY SPEAKER: With unanimous consent it can be done, but I do not assume that the hon. gentleman has unanimous consent.

Mr. BLACKMORE: All right, Mr. Speaker. In the first place, members of my group and of the organization I represent throughout Canada will favour this gift of a billion dollars; but the cost of this gift is far too great. To judge from the puerile remarks which four or five hon. members have been throwing about the chamber with respect to "twenty-five dollars", I suppose they will never come to realize that this cost is too high until the first thousand years after they are dead; but the cost of this gift is far too great. The minister is making the Canadian people pay double this billion dollars. A good many persons, even in this chamber, do not realize it.

In the first place, the Canadian people, in blood and sweat and tears and struggle and effort, are paying the billion dollars. When they produce the beef and the cheese and the wheat they are paying the billion dollars. That is the first thought. The minister himself, in the first days of the parliament, when war was declared, made some statements which indicated that he saw what was going to be the true nature of the effort of Canada. I refer to *Hansard* of September 12, 1939, page 138, where the minister says:

> Whatever such offsets may be, it is important to emphasize that, as I have already said, the real costs of war must come out of current production, out of the goods and services produced during the war.

The Canadian people, in producing those goods, either have paid that cost or are going to pay it in goods. Therefore they pay it once. Then on top of that they are called on to pay for it again, financially, in the form of a debt. The minister will correct me if I am wrong here; I am anxious to get this exactly right. He will tell me this: Is Canada going to be a billion dollars further in debt because she makes this gift to Britain?

Mr. ILSLEY: No.

Mr. BLACKMORE: Then how is Canada going to buy the goods she is giving to Britain?

Mr. ILSLEY: Everyone wants Canada to buy the goods anyway. It would be unthinkable not to produce the goods and buy the goods and supply them to Britain. Every person in this country wants Canada to continue to do that, and if Canada does that, Canada will be in debt for the money with which to pay for the goods, to the extent that they are to be paid for out of borrowed money. Therefore this transaction does not increase the indebtedness of the government to the Canadian people by one dollar.

Mr. BLACKMORE: But this fact is very essential, that the Canadian people have paid for this billion dollars' worth of goods, or will pay for them—

Mr. ILSLEY: Right.

Mr. BLACKMORE: —either with money raised by taxation or with money raised by borrowing?

Mr. ILSLEY: Yes.

Mr. BLACKMORE: That is the point. It means that the Canadian people have paid financially for these goods which we are to give away. That is the important point. It means that we are a billion dollars further in debt by reason of the transaction.

Mr. ILSLEY: No, not by any means.

Mr. BLACKMORE: Well, if the country is to buy a billion dollars' worth of goods and raise the money with which to pay for them, surely the country has incurred an obligation by reason of the purchase of those goods.

Mr. ILSLEY: Not by reason of this transaction, though. They would have made the goods and the government would have bought the goods in any event. This transaction has nothing to do with that. It is not by virtue of this transaction that the government is buying the goods. This country is putting forward its maximum war effort, producing all the goods it can for carrying on the war. This does not increase the war effort of Canada. If it did, it would be a good thing, but it does not because we are doing our maximum, the most we can, anyway. This transaction does not increase the production of the Canadian people or the amount that the government of Canada pays the Canadian people. They would have paid that without this transaction. They would have paid just as much without this transaction. The only effect of the transaction is that it alters the post-war settlement; we shall not be owed as much by Great Britain afterwards as we would be without this transaction.

Mr. BLACKMORE: The simple fact of the matter is that the Canadian government has added to its obligations a billion dollars by the time it has given these goods to Great Britain.

Mr. ILSLEY: By the time they got the goods, by the time the goods were produced, they would have added that much—not as a result of this transaction at all.

Mr. BLACKMORE: If the Canadian government lets Great Britain have $100,000,000 worth of wheat, the Canadian government raises $100,000,000 and buys wheat, which means that the Canadian government adds to its indebtedness.

Mr. ILSLEY: Not by virtue of giving the wheat. They are buying the wheat anyway. They are buying the wheat and whether they give it away or sell it, or whatever they do with it, it is not the terms on which the wheat is disposed of that make any difference whatever in the obligation of the Canadian government to the Canadian people—in the debt of the Canadian government. It makes no difference at all, not to the extent of a dollar.

Mr. BLACKMORE: I do not think there is any misunderstanding between the minister and me. The important fact for the Canadian people to get is that Canada as a government is paying in good Canadian money for the whole of this billion dollars, and she is raising the money with which to pay for the goods, either by taxation or by borrowing—

Mr. ILSLEY: Exactly.

Mr. BLACKMORE: —and in this case it is by borrowing.

Mr. ILSLEY: No; it is not by borrowing necessarily. It is by taxation and borrowing. No one can allocate our borrowing to this transaction. The hon. member who preceded the hon. member now speaking talked about it as if we were borrowing the whole amount for this. He might as well have said that we were raising it all by taxation. One cannot say it is borrowed money rather than taxes that goes to pay for these particular goods. As a matter of fact, our tax revenues will very greatly exceed this billion dollars, and one might very well say that we were not borrowing a dollar to go into this. One might as truthfully say that as to say that all the money going into this is money that is borrowed.

Mr. HANSELL: I did correct myself.

Mr. BLACKMORE: So the Canadian government is taxing one-half of the money it is now spending on everything—war and current expenses and loans and gifts—and it is raising the rest by borrowing?

Mr. ILSLEY: It is taxing a great deal more than half.

Mr. BLACKMORE: On over-all expenditures of government?

Mr. ILSLEY: It takes not very far from half if the assistance to Great Britain is included with our non-war expenditures and our war expenditures during the present fiscal year. But our tax revenues, our total revenues, which are a little higher than tax revenues—because they include post office revenues and certain miscellaneous revenues —are enough this year, or almost exactly enough, to cover our total direct war expenditure—not including our assistance to Britain, or non-war expenditures, but the total direct war expenditure of Canada, which has been met entirely, or is being met entirely, this year out of revenue.

Mr. BLACKMORE: We would be safe in saying, then, that practically one-half of this billion dollars is being raised by taxation, and one-half by borrowing. If we take it proportionately we are spending this year about $3,000,000,000 for all expenditures—well, say, $3,500,000,000—of which virtually one-half is to be raised by taxation.

Mr. ILSLEY: I do not know.

Mr. BLACKMORE: Well, roughly speaking.

Mr. ILSLEY: I shall have an estimate of that in the budget.

Mr. BLACKMORE: Roughly speaking, that would be true?

Mr. ILSLEY: I do not know what our taxation will be.

Mr. BLACKMORE: I will go so far as to say that from the evidence adduced so far in the discussions in the house that is the general conclusion that we can draw—that we are raising by taxation one-half of the money it is costing us to carry on, and the other half is becoming a debt against the Canadian people.

On motion of Mr. Blackmore the debate was adjourned.

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

Friday, March 20, 1942

The house met at three o'clock.

HON. R. B. HANSON

BIRTHDAY GREETINGS TO THE LEADER OF THE OPPOSITION

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, may I take the earliest opportunity to say publicly what I have just expressed in a few words personally to the leader of the opposition (Mr. Hanson). It is that, speaking on behalf of the members of all parties in this House of Commons we extend to him the warmest congratulations on another birthday anniversary, and our very sincere good wishes for many happy returns of the day. My hon. friend knows, I think, the regard in which he is held by all hon. members of the House of Commons. We are pleased indeed to see him occupying the position which he occupies at the moment, and I hope he may continue to occupy it for a long time to come.

Mr. M. J. COLDWELL (Rosetown-Biggar): May we, too, join in these kindly congratulations to the leader of the opposition for whom, in spite of an occasional disagreement, we all have very high regard and deep respect.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, our group has admired the way

in which the leader of the opposition has fought a good fight. He started under great handicaps, and I believe he has made good up to the present time. We congratulate him, and wish him many years of success.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, I am afraid that the sentiments expressed by the Prime Minister (Mr. Mackenzie King) and by my fellow opposition leaders, if I may so term them, are altogether undeserved. No one, I am sure, realizes his limitations more than I do; none the less one would not be human if one were not touched by such expressions as have been uttered to-day by the Prime Minister and the other hon. gentlemen. Last year on a similar occasion I recall that I declared I would have no more birthdays. But, sir, circumstances over which I have no control have rendered that wish impossible of fulfilment. And if my succeeding birthdays are met as happily from all corners of this house, in whatever capacity I may serve this country, as has been the case to-day, I shall recant from the decision which I took last year and express the hope that I may have many more birthdays.

Mr. LIGUORI LACOMBE (Laval-Two Mountains): Mr. Speaker, I am pleased to congratulate the leader of the opposition also, and I hope that as a distinguished lawyer he will be very long the leader of the opposition in this country.

PRIVILEGE—Mr. LACOMBE

REFERENCE TO STATEMENT OF MR. FAUTEUX IN THE HOUSE ON MARCH 19

Mr. LIGUORI LACOMBE (Laval-Two Mountains): Mr. Speaker, I rise to a question of privilege. Referring to the statement made yesterday in this house by the hon. member for St. Mary (Mr. Fauteux), I formally declare that the candidate of the Canadian party at the by-election of February 9 last in the St. Mary riding has never offered his services to the Liberal party—

Mr. SPEAKER: Order. The hon. member is not exercising his right on a question of privilege. As he has now stated, he is making a statement and offering opinions with regard to something which is not a question of privilege.

Mr. LACOMBE: I will only read the telegram which I received this morning—

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order. Will the hon. member please resume his seat. The breach of privilege must be as against the hon. member, or against the privileges of the house. If the hon. member wishes to state to the house that there has been a breach of his privileges as a member, or that the privileges of the house have been abused, he is entitled to make that statement; but he is not entitled to make an argument with regard to something which has nothing to do with the privileges either of himself or of the house.

Mr. LACOMBE: I rise to a point of order. Yesterday the Chair permitted the hon. member for St. Mary to make a statement to this house concerning the by-election in St. Mary. I want to answer that statement.

Mr. SPEAKER: Order. I understand the hon. member to say that the hon. member for St. Mary has made a statement on a question of privilege with regard to the by-election in that constituency. In my opinion what the hon. member now states cannot conceivably be a breach of the privileges of the hon. member now speaking, as a member, or a breach of the privileges of the house. Therefore I cannot allow the hon. member to make a statement of privilege on such a matter.

Mr. LACOMBE: I rise on another point of order. Under rule 36 I am absolutely in order when I want to read a telegram which I received—

Some hon. MEMBERS: Order.

Mr. LACOMBE: —concerning this election, because my candidate—

Some hon. MEMBERS: Order.

Mr. LACOMBE: —has never offered his services to the Liberal party—

Some hon. MEMBERS: Order.

Mr. LACOMBE: —in the provincial elections.

Some hon. MEMBERS: Order.

Mr. SPEAKER: I have nothing to add to what I have said already. The hon. member is not stating a breach of privilege, either in relation to himself or to the house.

AGRICULTURE COMMITTEE

CONCURRENCE IN SECOND REPORT

Mr. W. G. WEIR (Macdonald) presented the second report of the standing committee on agriculture and colonization and moved that the report be concurred in.

Motion agreed to.

CANADIAN ARMED FORCES

EXCHANGE OF NOTES RESPECTING TRANSFER OF UNITED STATES CITIZENS ENLISTED IN CANADA

Right Hon. W. L. MACKENZIE KING (Prime Minister): I wish to lay upon the table of the house copies in English and

French of an exchange of notes constituting an agreement between the Canadian and United States governments with respect to the transfer to the armed forces of the United States of certain United States citizens and former United States citizens now serving in the naval, military or air forces of Canada. The United States note, which is signed by the minister of the United States, Mr. J. Pierrepont Moffat, is dated March 18, and the reply by myself is dated to-day. I would suggest, if the house would consent, that the notes be printed in the *Votes and Proceedings* of to-day. Perhaps I might give the house just a brief statement of the substance of the notes.

There are now in the Canadian armed forces at home and abroad about 15,000 to 16,000 United States citizens; 9,000 to 10,000 in the army, 6,000 in the air force, and 42 in the navy. Technically they are not all actual citizens of the United States. Some of them enlisted in the Canadian forces during the first months of the war when we required an oath of allegiance and by taking the oath they lost their United States citizenship and became stateless, that is to say, citizens of no country. The present agreement, however, covers these former citizens. It treats them just as if they were still United States citizens. The agreement may be summarized as follows:

(a) All United States citizens in the Canadian forces and all former United States citizens who have lost their citizenship as the result of taking an oath of allegiance on enlistment in the Canadian forces will be given an opportunity to apply for transfer to the United States forces.

(b) Applications will be granted if the United States authorities are willing to accept the applicant, provided that the Canadian authorities are empowered to postpone transfer, if in their opinion, immediate transfer would prejudicially affect the common war effort.

(c) The United States will send boards to Canada to interview the applicants, and these boards will have power to enlist the applicants into the United States forces.

(d) Applications for transfer will be received up to April 20 from personnel serving in the Canadian forces in Canada; those serving in Newfoundland and Jamaica will, if necessary, be given a week or so longer to send in their applications.

(e) Personnel serving elsewhere may apply for transfers within fifteen days after notice of the right to apply has appeared in the orders of the unit with which they are serving; they will not ordinarily be transferred until they can be transferred to a United States unit serving in the area in which they are located.

(f) Representatives of Canada and of the United States will discuss with the authorities of Great Britain, the transfer to the United States forces of R.C.A.F. personnel now serving in the R.A.F. whose transfer might affect the efficiency of the R.A.F.

What the agreement does is to give every United States citizen in our forces an opportunity to transfer to the forces of his own country if he wants to. The only proviso is that the Canadian authorities may withhold permission for a transfer if immediate transfer would prejudicially affect the common war effort.

We shall be sorry to lose those United States citizens who transfer to their own forces. We do not, however, wish to stand in their way if they feel that they would sooner serve under the flag of their own country. Whether they are serving under our flag or under the United States flag, they are serving in the armed forces of the united nations and are contributing to the common victory.

The Americans in our forces came to us when their country was still at peace. They came because they knew that Hitler was as much the enemy of the United States as he was the enemy of Canada. We were grateful to them for enlisting in our forces—grateful because of the assistance which they freely gave us and grateful because they were living proofs—if proofs were needed—of the sympathy and support of their country for our cause. We shall always remain grateful to them. These sixteen thousand men were forerunners of the hundreds of thousands, the millions of their fellow citizens who are to-day enlisted in the struggle against the axis.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, if I may be permitted just a word, I think every one will approve of what is contained in this exchange of notes, and I desire to echo the closing sentences of the Prime Minister. However, I am just wondering if consideration has been given to the legal technicalities of declaring a man repatriated by a mere exchange of diplomatic notes. As I understand the laws of the United States, when a man expatriates himself he has to be repatriated by law in a formal manner. I am just mentioning that because there should be no doubt hereafter as to the status of these United States nationals.

PRIVILEGE—Mr. LACOMBE

ADVERTISEMENT PUBLISHED IN THE NEWSPAPER "LA PRESSE"

Mr. LIGUORI LACOMBE (Laval-Two Mountains): Mr. Speaker, on a question of privilege I wish to call the attention of the Minister of Justice (Mr. St. Laurent) to an advertisement published at the expense of the dominion government in the great Montreal daily *La Presse*. The concluding words of that advertisement are as follows:

In my opinion, Hitler would vote "no"; Quisling would abstain from voting and the Canadians will vote "yes".

I ask the hon. the Minister of Justice to be kind enough to make a statement, so that we may know whether it is the dominion government's intention to continue such propaganda throughout the country.

Mr. SPEAKER: Motions.

Mr. LACOMBE: I want an answer, Mr. Speaker.

Hon. L. S. ST. LAURENT (Minister of Justice): I submit that it is not the privilege of any member at this stage to submit a question of this kind to a minister without notice.

Mr. THORSON: Moreover, the advertisement from which the hon. member has read has not been paid for by the government.

Mr. LACOMBE: I rise to a point of order. I want an answer from the Minister of Justice concerning the public moneys of this country.

Mr. SPEAKER: Order.

Mr. LACOMBE: I want an answer.

Mr. SPEAKER: Will the hon. member please resume his seat. I understand he is asking a question of the Minister of Justice. We have not yet exhausted routine proceedings. Any question may be asked on the orders of the day which is relevant and which is in order.

FURTHER SUPPLEMENTARY ESTIMATES, 1941-42

A message from His Excellency the Governor General transmitting supplementary estimates for the financial year ending March 31, 1942, was presented by Hon. J. L. Ilsley (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

CANADIAN NATIONAL RAILWAYS

AUDITORS' MEMORANDUM REFERRED TO IN THEIR REPORT FOR CALENDAR YEAR 1941

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, I desire to direct a question to the Minister of Transport, which one of his colleagues may be good enough to bring to his attention.

Yesterday the minister laid on the table the annual report of the Canadian National Railway system and the report of the auditors, Messrs. George A. Touche and Company, to parliament for the year ended December 31, 1941, pursuant to the provisions of the Canadian National-Canadian Pacific Act, 1936, and the act of 1941, respecting the appointment of auditors for the national railways.

In the auditors' report, at page 3, reference is made to their memorandum to the board of directors dealing with internal matters, which it is stated will be dispatched to the minister in due course.

I desire to ask the minister (a) if he will table this memorandum when received; (b) when it may be expected to be brought down; and (c) why this memorandum is not tabled contemporaneously with the tabling of the report on the system and the auditors' report?

Hon. J. E. MICHAUD (Minister of Fisheries): The matter will be brought to the attention of the Minister of Transport.

THE MINISTRY

REPRESENTATION OF THE PROVINCE OF QUEBEC

On the orders of the day:

Mr. LIGUORI LACOMBE (Laval-Two Mountains): Mr. Speaker, I want to direct a question to the Prime Minister. As the Hon. Pierre Casgrain has been appointed a judge of the Superior Court of Quebec, and the Right Hon. Senator Dandurand and the Right Hon. Ernest Lapointe have passed away, I would ask the Prime Minister whether it is his intention to give fair and just representation in his ministry to the province of Quebec.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I may say to the hon. member that my intentions are all fair and just and will be towards every province in this country.

Mr. LACOMBE: Mr. Speaker, I rise to a question of privilege. The answer of the Prime Minister does not satisfy the province of Quebec.

Mr. SPEAKER: Order.

Mr. MACKENZIE KING. May I say to the hon. member that as a matter of courtesy I answered his question, although I might have taken exception to his asking it on the orders of the day and requested that it be placed on the order paper. I wish to say to him that having regard to the extent to which he has interrupted the proceedings of

this house in the last couple of days, it is generally felt that he is beginning seriously to infringe upon the privileges of the house itself, and if he persists in rising and not obeying the orders of the Speaker I think steps will have to be taken whereby the Speaker's orders may be effectively carried out.

Mr. LACOMBE: Mr. Speaker, I rise to a point of order. According to standing order 41, the Prime Minister must withdraw his words absolutely.

Mr. SPEAKER: Order.

THE PLEBISCITE

ACTION TO ASSIST IN OBTAINING AFFIRMATIVE REPLY

On the orders of the day:

Mrs. DORISE W. NIELSEN (North Battleford): Mr. Speaker, I should like to direct a question to the Prime Minister, and I am hoping very much that you will be lenient and allow me to ask it because it concerns a matter of urgent public importance, the taking of the vote on the plebiscite.

Mr. SPEAKER: I would point out that the hon. member has prefaced her question by the suggestion that it is not in order. I hope that she will not ask the Chair to consent to something that is out of order.

Mrs. NIELSEN: Your Honour did rule me out of order once before on a question of policy asked on the orders of the day, but this is a question of urgent public importance having to do with the plebiscite. In arranging my work in my particular riding I must have some knowledge of this particular matter now.

Mr. SPEAKER: I had occasion yesterday and the day before to rule out of order questions asked on the orders of the day dealing, I understand, with the same matter. As to urgency, the hon. member will have to show me that there is urgency before I can permit the question to be asked to-day. If the hon. member will place her question dealing with the plebiscite vote on the order paper it will be answered in due course.

Hon. R. B. HANSON (Leader of the Opposition): If I might be permitted, Mr. Speaker, the hon. member consulted me about her question, and it would appear to me to be a matter of urgent public importance, having regard to the fact that if she placed the question on the order paper she might not get an answer before Friday next. The Prime Minister has a copy of the question, I believe, and unless there is some particular objection to answering it, I suggest that some leniency, if that is the correct term, be exercised. The hon. member represents a far-distant constituency and seeks an opportunity to do something in connection with the taking of the vote on the plebiscite.

Right Hon. W. L. MACKENZIE KING (Prime Minister): As the leader of the opposition makes a special plea on behalf of a lady on his birthday anniversary, I think perhaps I might be pardoned if I anticipate, Mr. Speaker, your favourable attitude towards my giving a brief reply to the question as I have received it.

I gather that the question relates to action that was taken by a citizens' committee in Winnipeg, where those present formed themselves into a voluntary association to assist in obtaining an affirmative reply from the electorate to the question to be asked in the plebiscite which will be submitted in the course of the next few weeks, and the hon. member wishes to know whether I approve of action of that character. I say not only that I approve of it but that it is in accord with what I myself suggested might be an effective way of ensuring an affirmative reply to the plebiscite.

I think the other question the hon. member desires to ask is whether it is the intention of myself and my colleagues to address the electorate over the radio with respect to the plebiscite. It is my intention to do so. I have also reason to believe that some of my colleagues may adopt a similar course. I hope that many means will be found of making perfectly clear to the electorate the desire of the government to see that an affirmative reply is given to the question to be asked in the plebiscite.

Mr. SPEAKER: The question has been put and the answer given to the house. I therefore cannot quarrel with it at the moment. But I would point out to the house that the question which was asked was certainly one which should have been placed upon the order paper, and I hope there will be no recurrence of this practice, in view of the ruling which I have already made.

Mr. M. J. COLDWELL (Rosetown-Biggar): May I rise to a point of order? It seemed to me, having heard the reply, that there was a question of urgency in relation to this particular question, because hon. members wished to make their arrangements for the Easter holidays. May I respectfully suggest to Your Honour that perhaps the tightening up of the rule regarding these questions has been carried to as great an extreme as the latitude which the house took prior to this strict enforcement of the rule. I would ask that some latitude

be given to hon. members asking questions which are, to them, of some urgency. Perhaps the matter might be taken into consideration, because I feel that in the last few days the rule has been enforced quite properly but rather too rigidly.

Mr. SPEAKER: After all, the chair is bound by the rules; and when the latitude of which the hon. member has spoken was given, it was used so much that on one day when we began at, I believe, five minutes past three, we did not finish till ten minutes to four, with questions which certainly should have been placed on the order paper. It is necessary therefore to invoke the strict interpretation of the rule. I have endeavoured to do so and will continue to do so with fairness, I hope, but I do think that the house during these recent days took advantage of the latitude which was allowed, and many questions were asked which properly should have been placed upon the order paper. I cannot agree with the hon. member who has just spoken that we should relax the interpretation which has been given. In the case before us, if I may say so, the question of urgency does not appeal to me in the same manner as it appealed to the hon. member. The vote will not be taken until the twenty-seventh day of April. This affords plenty of time to hon. members—and I myself would be in the same position—to advise their constituents with regard to the vote on the plebiscite. I must ask the house to interpret the rule as strictly as possible and conform to my ruling with regard to questions which they wish to put, and place them on the order paper.

INQUIRY OF THE MINISTRY

PROCEDURE WITH RESPECT TO QUESTIONS ON THE ORDERS OF THE DAY

On the orders of the day:

Mr. VINCENT DUPUIS (Chambly-Rouville): There was published in the Canadian Press this morning a statement made by the Hon. R. J. Manion explaining his attitude as chief of the national government party. I would like to ask—

Some hon. MEMBERS: Order.

Mr. HOMUTH: The rule applies over there, too.

Mr. SPEAKER: The rule must apply.

HIGHWAYS

INSTRUCTIONS TO PROVINCIAL GOVERNMENTS RESPECTING ROAD-BUILDING IN 1942

On the orders of the day.

Mr. F. D. SHAW (Red Deer): I wish to direct a question to the government. Have centuries, will be irretrievably lost. We simply definite instructions gone out to any or all provincial governments regarding restrictions on provincial road-building for 1942?

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

PRIVILEGE—Mr. LACOMBE

REFERENCE TO STATEMENT IN "LE CANADA" ON MARCH 18, 1942

On the orders of the day:

Mr. LIGUORI LACOMBE (Laval-Two Mountains): Before the orders of the day are called I want to raise a question of privilege. There was published in *Le Canada* of March 18, 1942, the following statement:

(Translation)

At that time also, the name of Mr. Alphonse Raymond, whom we need not introduce to our readers and whose dealings with Mr. Duplessis are well known, came before the Meighen convention in Laval-Two Mountains.

Mr. Speaker, that is absolutely untrue. Mr. Horace Michaud, a Montreal barrister, was my opponent in 1926.

Mr. SPEAKER: Order. This question, I am informed, is in the same category as the one already asked. Therefore it must be placed on the order paper.

WAR APPROPRIATION

UNITED KINGDOM FINANCING—WAR SUPPLIES, FOOD AND LOAN WITHOUT INTEREST

The house resumed from Thursday, March 19, consideration of the motion of Mr. Ilsley that the house go into committee on a resolution to provide for granting to His Majesty sums not exceeding $1,000,000,000 to assist in enabling the government of the United Kingdom to defray expenditures incurred in Canada for war purposes, and to provide for a loan to the government of the United Kingdom of $700,000,000 without interest.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, last evening when the house rose we were discussing the matter of this billion dollar gift to Britain. I stated that my group and those whom I represent throughout the country would approve the gift. May I state once more that we have approved it without qualifications or reservations. We were misrepresented in some respects as to this matter by the press. We approve this gift without reservations and without qualifications; all well informed Canadians must approve it, in spite of the cost.

My contention was that the gift as it is to be made is costing the Dominion of Canada too much, more than it is necessary that it should. I am ready to do anything which can be done by Canada to assist Britain in any respect in the prosecution of this war. This

is Canada's war, and unless we win the war everything which we value, everything which has been handed down to us through the centuries, will be irretrievably lost. We simply must win the war.

But it is folly for us to make any contribution cost us more than it needs to cost. Let us give our all, but let us do it in the most efficient and effective manner. It was purely on this point that I was raising an objection.

I said that the minister, with the policy which he is adopting at the present time, is making this gift cost the Canadian people twice. First they are paying it physically and then they are paying it financially. They are paying it financially in two respects: first, by taxation, which I assume will amount roughly to $500,000,000; second, by a debt which is being incurred, which will amount roughly also to $500,000,000. Thus the gift is being paid for both physically and financially, and I contend that it is unnecessary to pay for it in any other manner than physically.

I wish to be very careful in what I say; the minister will correct me if I am not exactly right; but from what the minister said it seemed perfectly clear to me that this taxation and this debt would have been levied and incurred by the Dominion of Canada whether the goods had been given to Britain or not. That is, the gift of the goods to Britain did not bring on the taxation or the debt; Canada was buying the goods and incurring the obligation anyway.

She merely gave the goods to Great Britain, so that the gift did not cause the debt or the taxation; it was simply in a sort of way incidental. I wish to comment briefly on this $500,000,000 debt. I believe we shall find that $500,000,000 is the amount of the perpetual debt which is being incurred by the dominion in connection with, if not as a result of, this gift to Great Britain—and let it be clearly understood that I am not opposing it because it is a gift to Great Britain; I am opposing it because the debt is there when, in my judgment, it does not need to be there. This $500,000,000 will never be paid by the dominion government. It will last for generations if our past performance is any guide as to what will happen in the future.

I understand that the rate of interest at the present time is roughly three per cent. If the minister himself and succeeding ministers so manage the affairs of Canada as to reduce the interest rate by skilful manipulation, I think we can safely assume that they will not reduce it below two per cent, which means that this transaction—perhaps I had better not use the word "transaction"—this incident is adding to the shoulders of the dominion an interest bill of $10,000,000 a year for generations and generations. It is very necessary that we face this fact squarely. It is an easy matter for us in this house to allow something like this to pass by and thereby to bring upon future generations tremendous burdens the irksomeness of which we do not even remotely conceive. If we incur for the people of Canada $10,000,000 as an annual interest burden, we shall make future generations pay this $500,000,000 debt over again inside forty years. In other words, your boys and my boys who have enlisted to go and fight this war will risk their young lives, their health and vigour, and will return and in their lifetime pay this debt over again.

Mr. ILSLEY: If it is possible to obtain the $500,000,000 without cost to the government or to the Canadian people, why will it not be equally possible to obtain the $10,000,000 a year without cost to the government or the people?

Mr. BLACKMORE: There will be no doubt of the validity of the minister's statement if the men in future generations have a vision surpassing that which is being exercised by the men in this house. But we have no assurance that they will have that vision any more than the present members have. After all, we are assuming the responsibility here. Why not square up to it and see if there is not some way of avoiding the debt?

Mr. ILSLEY: I do not think there is, but I was wondering why the hon. gentleman is worried about the $10,000,000 if there is a way of getting the $500,000,000 for nothing.

Mr. BLACKMORE: It would probably be well to discuss the possibility of getting the $500,000,000 without debt. Then the $10,000,000 would not need to bother us. I notice in this house a disposition to disregard new ideas. The world is full of talk of a new order, but what does a new order mean? It must mean a new way of doing things. Somewhere new ideas are to be found. Why not listen to every idea which is advanced and weigh it carefully? May I read a statement dealing with the last war. Hon. members will find the passage which I am going to read in the report of the royal commission on banking and currency in Canada in 1933. These particular words appear on page 22, paragraph 47:

> In the war session of August, 1914, parliament raised the partially covered issue to $50,000,000. Subsequently an issue of $16,000,000 was made against a deposit of railway securities guaranteed by the dominion government as well as an uncovered issue of $10,000,000 for governmental purposes. In 1917—

This has a particular bearing on what we are doing now.

—an emergency issue of $50,000,000 of dominion notes was made to finance war purchases in Canada by the British government. The notes were secured by imperial treasury bills.

The transaction which is there described is so nearly analogous to the proposals which my group are making to this country at the present time that any man who disregards these facts is assuming a responsibility for which he may be called upon to answer. It is obvious from what I have read that at least $50,000,000 was obtained by the dominion government in the last war without cost; $26,000,000 we are sure was obtained for the mere cost of printing that $26,000,000. It did not constitute a debt, and since that time no one has paid interest on the $26,000,000.

Before I read another passage which has an important bearing on this question, may I read a quotation from the March, 1942, letter of the Royal Bank of Canada to indicate to the minister and to hon. members that I am not the only one in this country who is greatly perturbed over our gathering debt. The quotation is:

> The lesson of the debt problem of the inter-war period of the twenties and thirties should not be forgotten. Perhaps no other single factor played as large a part in the economic dislocation and difficulties of the period as the ever-present irritation and burden of war debt payments.

Mr. HANSON (York-Sunbury): Of course that is international debts they are speaking of.

Mr. BLACKMORE: That may be, but it would still have a bearing on internal debt, for certainly the internal debt of a country can be irksomely burdensome, too.

Let me now read a passage from page 15 of a book called "Currency, Credit and the Exchanges," which hon. members will find in the library, written by Doctor William A. Shaw, author of the Calendar of Treasury Books and Papers. Doctor Shaw is one of the best authorities on monetary matters in Britain. He is dealing with the Bradbury experiment which played so large a part in the British finances of the last war. This passage states:

> At the instigation of the treasury, therefore, the British legislature was consciously instituting a new form of currency. Whence was the idea of such a currency derived? In this matter it is necessary to distinguish. The innovation, whether deliberate or accidental, did not consist in the denomination.

That is the size of the bill.

> One pound notes were well enough known in England as well as in Scotland, for they were issued by the Bank of England from 1797 to 1825. The real innovation consisted in taking away from the banks the right of issue of this emergency currency. The issue of it was reserved to the state, and the banks were employed only as distributors. This measure amounted to the adoption for paper money circulation of the principle of metallic currency circulation, the principle that the right of minting and of issue is a sovereign right appertaining only to the state and that the banks are only convenient channels or media for distribution or sale of the currency. But although so patent and obvious when stated in the abstract in this way, the step was none the less revolutionary. It was the first enunciation in the modern world of the true principle of paper money issue, a principle towards which the legislature had been blindly groping its way for more than a century. Even to-day, after twelve years' experience of the treasury note, the fact of this enunciation is not appreciated either by the press or by the banking world. Yet it is of cardinal importance. The history of modern paper currency legislation is a record of the successive devices by which the state has attempted to control the action or the discretion of the banks in the matter of paper issue.

There were £354 million of Bradburys printed and issued by the treasury of Great Britain during the last war, and with that state money they financed the whole strain of the war and were well on their way to finance the peace when someone in a high place in Britain was, as Doctor Shaw points out in this book, persuaded to abandon this principle of such tremendous significance.

Debt is a very serious matter. It is easy to get into; it is impossible to get out of. It is going to be intolerable to bear. Is there a way of financing these great war transactions without debt? I maintain that there is, and that this parliament should be at work considering ways and means to that end.

The question will immediately be raised whether this is inflation. To show how chaotic is the thinking about inflation I am going to read a statement from the minister's own speech in the parliament which declared war. He said, as recorded on page 137 of *Hansard* of September 12, 1939:

> First of all let me emphasize that however we finance the cost of the war, whether by taxation or by borrowing or by inflation, we cannot escape its real costs.

The minister will correct me if I am wrong in assuming that his advisers who advised him in the preparation of that speech meant by "inflation" the creation of money such as I have indicated.

Two or three nights ago the minister, I understand, made an appeal to the Ontario farmers. In that appeal he urged them to exercise self-control to avoid inflation. Obviously the minister did not mean the same thing in his use of the term "inflation" in his speech to the Ontario farmers that he means in the statement I have just quoted.

Mr. ILSLEY: In the speech to which my hon. friend refers, my remarks about self-

discipline, self-organization—not self-control—were not directed to the Ontario farmers specifically; they were used generally as applying to all of us throughout Canada, whether farmers or anyone else. What I said had no specific or direct relation to inflation; I dealt with that in another part of my address.

Mr. BLACKMORE: Last fall the minister, I understand, made a speech which I did not hear. I am not condemning the minister; I am approving. I want to say right here and now that in my judgment the minister, under the system which he is electing to use, is doing a magnificent job; I am not condemning him in any way. As I was saying, last fall he made a speech, so it is reported to me, in which he said that inflation can and must or will be controlled. That was just prior to the announcement of the price ceiling. That statement indicated quite clearly that by that time the minister had come to use the word "inflation" in its correct meaning. That is, inflation is a rise in the price level. The eager way in which the minister, Mr. Donald Gordon and a number of others are urging the people at the present time to increase production, as a means obviously of offsetting inflationary tendencies, again indicates that they are now thinking in terms of reason and common sense. Inflation does not mean the government issue of money. Inflation is an effect; it is a rise in prices which results from a scarcity of goods, or from deliberate manipulation by someone who is handling the goods.

To show how urgent is this question of inflation, within the last week President Roosevelt made an appeal to the people of the United States concerning the necessity for resisting tendencies toward inflation. By this he undoubtedly meant rises in price owing to scarcity. Once we clear out of our minds the fallacious notion that inflation means increasing government money, or printing government money, then we are on a basis upon which we can build soundly; and knowing this about inflation we can see immediately that the printing of the Bradburys was not inflation. The printing of the $26,000,000 was not inflation. They might have caused inflation if there was a scarcity of goods, or if someone manipulated the prices of goods, or if prices were not controlled, but they themselves were not inflation.

Granted that there is an inflationary tendency, what can be done to prevent inflation? I have already indicated one or two of the devices that may be used. The first one is evidently price control. It matters not how much money there is in circulation; if the government insist that prices shall not go up, there cannot be a rise in price. May I pause here to commend the minister once more upon the success which has attended the very difficult experiment of price control in Canada. The prices are not all as they should be; I am sure the minister would be one of the first to acknowledge that. Nevertheless the device appears to be working effectively, and it has great possibilities for the future. In our discussion the important thing is that this price control was necessary to prevent inflation, even though there was no government issue of money. The nearest approach to it was the money the government were borrowing from the Bank of Canada, amounting to something more than $700,000,000 up to the present time.

All right, then; once we have laid down in our minds this concept that government issue is not inflation, that inflation is a rise in price and that inflation can be controlled in some measure or in large measure by price control, then we have made another step forward. I said a few moments ago that a rise in price results from scarcity. There is no member of this house who does not know that. For example, would someone explain the reason for the high price of potatoes at the present time, when there is not a province in the Dominion of Canada which cannot produce potatoes in superabundance, far beyond its needs? Why is that? It is that for the time being there is a scarcity of potatoes.

Mr. HANSON (York-Sunbury): Is the price high?

Mr. BLACKMORE: Unusually high, I understand.

Mr. HANSON (York-Sunbury): There have been starvation prices for the last three years.

Mr. BLACKMORE: I was told that in the stores of Ottawa during the last week one had to pay three and a half cents a pound, if I remember correctly.

Mr. ISNOR: That is an increase, but it is not too high.

Mr. BLACKMORE: I am not saying it is too high, but it is high relatively. For the last number of years people have been buying potatoes for much less than that. However, I would rather not get into any discussion on this matter of potatoes, although I am much interested. Once more no one knows just what price should be given for potatoes. But I will say this, that in my constituency and in my province, if the government were to

guarantee a dollar a hundred pounds for potatoes it would have so many potatoes it would not know what to do with them.

Mr. BRADETTE: Not every year.

Mr. BLACKMORE: Yes, every year. I know whereof I speak; I come from Alberta.

Mr. BRADETTE: I grow potatoes, and I know what I am talking about.

Mr. BLACKMORE: Very well. The important thing, the matter we are discussing at the present time, is the cause of the rise in price; and the major cause of the rise in price is scarcity. If you are going to resist a rise in price, obviously the thing to do is just what the minister is now doing—get more production.

Mr. GILLIS: Would the hon. member permit a question while he is on the matter of inflation? Is it necessary to freeze wages to avoid inflation?

Mr. BLACKMORE: No. There are a good many things I shall not have time to discuss in this connection, but which I could discuss.

Mr. HANSON (York-Sunbury): But they have been frozen, have they not?

Mr. GILLIS: Yes.

Mr. BLACKMORE: They have been frozen. There are ways of getting round the difficulty, and strangely enough the hon. member's question leads directly to the next thing I was going to say. When we were over in England we were told that the British government, during the last year, paid a hundred million pounds to keep prices down. The minister's own officials are doing something like that in respect of several commodities. They are absorbing the additional cost in order to keep the price from rising. The British government, let me repeat, has, according to information which I have received, paid a hundred million pounds during the past year to keep prices down. That constitutes a price discount, and is a social credit technique, part of the just-price mechanism. The result is that prices do not rise, and you do not have inflation. Then I was told that this year the British government is paying £25,000,000 in bonuses to primary producers, bonuses somewhat similar to the additional price we are giving for our wheat. That device is planned to increase production. While I am on the subject may I point out to the minister something on which I may elaborate a little more later on. If he wants production let him guarantee profits and guarantee markets and guarantee credit facilities, and he will have production to the limit of the country's resources.

Mr. MacNICOL: There is nothing wrong with that.

Mr. BLACKMORE: That is quite sound. That is a way to get production and prevent inflation.

There is one more device which the minister has used only sparingly thus far, namely, rationing. We were quite startled in England to get our ration cards, and quite disappointed with the small amounts we were able to buy, but the ration card effectively prevented inflation, because people simply could not spend their money for the commodity in question. Therefore there could not be a buying pressure on the price of the commodity resulting in a rise. All these things have a tremendously important bearing on the matter of state issue of money. If the devices which are now being used in Canada and Great Britain had been used in the last war, the calamitous rise in prices would have been prevented during that war as well as they have been during this one. It would not have mattered where the money came from, whether it was borrowed from the people or the bank of Montreal, or whether it was created and issued by the dominion government treasury under the Finance Act of 1914, as it then was.

So much for that question. I maintain, Mr. Speaker, that the evidence which I have adduced up to the present is such as to cause any man with an open mind, ready and willing to learn—as everyone ought to be in these terrible times—to reflect on whether or not some of these policies which Canadians have believed in and applied in the past were not grossly fallacious, and whether something new could not be introduced into our financial system.

This gift has another important aspect. Great as it is, proud as the Canadian people, generally speaking, are that it is as great as it is, it is not nearly as great as it could be. There will be need for another gift like this, a much greater one next year, and a still greater one the following year. If these gifts can be financed without financial cost—they cannot be made without material or physical cost—look at the tremendous difference that this fact will make to the whole outlook of the Canadian people. The question will be asked why I say that our gift should be greater. I say that simply because our production in Canada does not approximate our possible production. One monstrous fallacy which for some reason or another is being spread throughout the country at the present time is that this country is nearing its peak

of production. In his speech the other night the minister indicated that he had been infected by the advice of someone and apparently had the idea that we were coming near to our maximum production. I read these words from page 1402 of *Hansard*:

> As last year, we have aimed at a war programme which will represent the country's utmost capacity, the maximum which we can carry out with the physical and economic resources at our disposal.

I wonder whether the minister, when he used the word "economic", had in mind the amount of money which we can borrow or tax from the people and considered that to be the governing factor. I cannot tell; but if he had in mind only the physical possibilities of this country, then let me tell him that we are far from having reached our maximum. As an illustration, I refer to sugar. Will anyone in this country say that we are anywhere near our maximum production of sugar? This country which could produce twice its total consumption every year, is actually producing only about 18 per cent of its consumption? That mere statement of fact brands the minister's statement as ridiculous.

Think of our gasoline possibilities, our fuel possibilities. Think of the McMurray tar sands. Think of the possibilities of manufacturing fuel alcohol from potatoes and wheat. These have not even been considered, and then we are told that we are nearing our maximum production. Think of our iron and steel possibilities. Think of the fruits, the vegetables, we could produce, far beyond what we are doing at the present time.

Let me give an illustration by reference to milk and its products. Hon. members will remember that when they were boys, almost every family in the smaller communities had two, three or four cows. The children milked the cows and the mother prepared the butter. What has happened to-day throughout Canada in that respect? A large number of our younger people are growing up without having ever touched a cow. Let the price factor become attractive; let certain other conditions be brought about as a result of which it will be profitable to raise cows and produce butter, milk and cream, and what will the mothers and children from end to end of this dominion be doing to supplement the meagre family income? They will be producing butter.

Mr. HOMUTH: The boards of health would not let them.

Mr. BLACKMORE: That is a point. In other words, the boards of health would be helping to lose the war. That is something that I think they would hardly like to contemplate. If we want to increase production we must utilize the tremendous spare time energy of the Canadian people, the spare time of our children and our men and women who are not fully employed, our office workers who have free time after work. The hon. member for Waterloo South (Mr. Homuth) has referred to the health regulations. I am in favour of such regulations; nevertheless we lacked them when we were boys and we grew up pretty well.

If prices of wheat, potatoes and other commodities are set at a point where there is a certain profit realizable in their production, the minister will be astonished at the results. He will not need to go on the air and waste his precious time—it is precious—urging the people to produce. He will have as hard a time keeping them from producing as he has keeping the western farmer from producing extra wheat. The productive capacities of this country have hardly been scratched.

Then there is the matter of wages, referred to by the hon. member for Cape Breton South (Mr. Gillis). Our wage structure is altogether unsatisfactory. There is no justice, no logic in it, but there is gross mismanagement in it. It is producing an undesirable psychological attitude in the minds of men, for which Canada will have to pay before we have finished.

There is another aspect to this wage question and this price question. If the men who are earning wages in this dominion were paid more wages, the minister would get more money for his victory loans. If producers of wheat, fruit, vegetables, poultry and other primary commodities were getting better prices, he would obtain greater revenues. He would be able to raise more money. That ought to be obvious. The minister wishes to pay as we go. By concentrating on just rewards for the primary producers and the wage-earners of this land, the minister will greatly expand the revenue producing capacities of this country, and at the same time he will have an increased production which will serve as a safeguard against inflation.

There is another aspect to this gift which I should like to discuss briefly. I wish to say in commendation of the minister that in making this gift to Britain he has manifested magnificent leadership. I think the hon. member for Essex East (Mr. Martin) indicated that yesterday.

Mr. HANSON (York-Sunbury): I hope the hon. member will recall that I made the first suggestion in this house about a gift to Britain.

Mr. BLACKMORE: I shall remember that to the credit of the leader of the opposition for years to come. As I say, this is magnificent leadership. First it shows how international

debts can be cancelled. Since I think that is quite clear, I shall not labour that point. Second, it shows us how we can help Britain. When I was in England I was impressed by the fact that many English manufacturers were deeply perturbed because they saw in the rapid development of industrialization in the self-governing dominions a threat to Britain's markets after the war, and those markets were meagre enough before. They simply could not see how they were going to be able to make sufficient income in their country. I believe the day will come when this war is over when Canada, Australia, New Zealand, the United States and other countries which are interested in the preservation of the old land, so that she may be a benefit to our children as she has been to us, must arrange a system of lease-lend in perpetuity to provide the mother country with her required raw materials. This is a step toward that end. If we can only finance this transaction without debt or taxation to ourselves, no one in Canada who is aware of that fact would object at all, for the gift to Britain would be as good as a foreign market to us regardless of whether or not we were able to take back anything from Britain.

In this measure we have discovered a means of getting markets without having additional foreign trade. I have found in this house a sort of trade-mindedness. People are obsessed with the idea that they cannot live unless they trade. But, Mr. Speaker, this billion dollar gift to Britain proves beyond a doubt that Canada can exist without additional foreign trade, for the farmers who produced the wheat, the pork and the butter were paid just as if they had received payment from Britain herself in connection with this billion dollar gift; so also were the manufacturers and others who produced munitions paid, and paid in Canada. If this process could have been accomplished without additional debt and additional taxation, there would have been nothing in this proposal but a blessing. We should have discovered how to get markets without having additional foreign trade.

But it shows something else that is important. It shows how goods can be given away. One thing which, frankly, Mr. Speaker, annoyed me last night, was a childish tendency on the part of several members to make foolish remarks about $25 a month. I maintain that in this parliament we have reached the point where we should cease to make remarks of that sort about any such proposal as a distribution of goods. If goods can be given to Britain, they can be given to Canadians. Once they are given to Canadians, the principle is established that you can give your people goods.

Mr. DONNELLY: Would the hon. member tell the house how much goods he would give to Japan or Germany to-day on their paper, with nothing to back it?

Mr. BLACKMORE: The question is a very good one, although a little off the subject, but I shall not hesitate to answer it. The simple fact of the matter is—I almost hesitate to say this because it may not be in our best interests—that if we had had a device similar to this to help the have-not nations and render their position less impossible, we might not be engaged at the present time in destroying some of the finest races in the world and ourselves being destroyed. Never mind about the paper. You are not asking for paper from Britain. Has the hon. member forgotten that we are not getting any paper from Britain for this billion dollar gift? Then why should we worry about the quality of the paper from Japan or Germany we might receive in return for any distribution we may choose to make to them?

The hon. member's question brings me to another aspect of this question. In the new order which is to be established after this awful experience is over, some means must be discovered whereby the people who have bountiful resources will be able to contribute, without unbearable costs, to the sustenance of the people who have not bountiful resources. In other words, it must be made possible for the people who have not, to get support and assistance from the people who have, and this possibility is indicated by this fine new bit of leadership in this legislation.

To summarize—

Mr. SPEAKER: The hon. member's time has expired.

Mr. WILFRID LaCROIX (Quebec-Montmorency) (Translation): Mr. Speaker, I had not intended to take part in the discussion, having already expressed my opinion during the debate on the speech from the throne at which time I stated my opposition to any billion dollar gift to the British government.

I wish first to offer my sincere congratulations to the hon. Minister of Finance (Mr. Ilsley), who very clearly expressed his point of view. However, after listening to the general debate and to the explanations furnished this house, I have come to the conclusion that the proposed increase does but strengthen the argument I set forth during the discussion of the throne speech. In fact, Mr. Speaker, we propose to give to Britain, that is the exact term, a billion dollars, that is to authorize the British government to purchase in Canada a billion dollars' worth

of supplies of all kinds, food, tanks, airplanes, and so on. Now the cost of this billion dollar gift, plus the seven hundred millions we are loaning Great Britain without interest, must necessarily be borne, that is as far as the billion dollars are concerned, by the people of Canada. Now, Mr. Speaker, during the debate on this proposal, I noted that nationals of Great Britain hold about one billion, seven hundred million dollars' worth of Canadian securities, or in other words that we owe England approximately one billion, seven hundred million dollars that must be repaid some day. Why not simply have advanced this amount of one billion to her in exchange for British-held Canadian securities?

To my mind, such a transaction would have prevented this fantastic burdening of our budget and avoided us the necessity of including in it this year a payment of about $25 million which the Canadian people will have to effect. For we must not forget that $700 million are to be loaned interest free, and that $1,000,000,000 will be given outright. I could not let such a proposal be adopted without officially recording my opinion in the matter. The Canadian people are already experiencing a great deal of difficulty in meeting their present obligations. These obligations, born of the war, are becoming more onerous every day, yet the people have met them without flinching. They are doing their best to win the war, even to the extent of going without some of the necessaries of life. We all want to win this war, but I think the government should have refrained from placing this additional burden on the shoulders of our people, especially since we are giving to richer than ourselves. Indeed, it is a well-known fact that England herself recently loaned China $250 million. Canada is making an all-out effort and in our province the French-Canadian element is doing its large share. Unfortunately, and this is a point I would like to stress, the fact does not seem to be taken sufficiently into account in certain administrative quarters, although recruiting figures in the province of Quebec are as eloquent of our loyalty as those in any other province.

In the civil service, our fellow citizens of French-Canadian origin appear to be kept completely in the background. I have here before me a list published in February's edition of *Canadian Business*, entitled: "Who's Who in Wartime Prices and Trade Board." It is a rather long list of the officials of the wartime prices and trade board. It will be noted that out of 222 positions listed, there are only about 20 held by French-Canadians. This is less than 10 per cent, and yet the French element forms one-third of our total population. Whenever it is a matter of military enlistments, commentaries abound on our representation in the armed forces, yet when it is a question of handing out well-paid jobs, the boot is on the other foot.

Mr. Speaker, there is another matter I would like to broach in this brief address, and that is the question of friendly understanding in the country. Since we are discussing a measure concerning financial aid to Great Britain, it seems to me that just recognition should be given to the province of Quebec's tremendous effort in the financial field. Our province strongly supported the victory loan subscribing as generously as any other, and I would like to see the enthusiasm shown for the victory loan, this enthusiastic response to the government's appeal for funds in view of its war effort, more fully recognized by our army officers, especially in the higher brackets.

I have here Report No. 47, sent by the military intelligence section, Department of National Defence, Ottawa, to all district commanding officers as well as to other officers. It is entitled "Summary of Intelligence from Military Districts". Paragraph 13 includes a report from the intelligence officer of the fortress of Halifax, which reads as follows:

> Unit reports contain many references to H.D. personnel. The general feeling is one of disappointment in regard to the manpower policy. This tends to undermine that confidence which is essential to esprit de corps. General opinion is that the province of Quebec is responsible for non-enforcement of conscription. This belief, whether based on fact or fallacy, is producing disunity. French-speaking Canadians are regarded with some distrust, irrespective of how patriotic they may in reality be. This distrust originates in the prevalent belief that Quebec is hindering an all-out war effort, that Quebec people are unpatriotic or spineless. If these beliefs are without foundation, the people of Quebec are being done a great injustice; if they are founded on fact, then the rest of Canada is forced to suffer at the hands of a minority. Army personnel is puzzled because "platitudes do not explain circumstances".

The military intelligence section, Department of National Defence, draws the following conclusion from that paragraph:

> No matter how unfounded such views may be, the foregoing item is included to indicate the opinion of a section of the active army.

I wish to ask the government, and particularly the Minister of National Defence (Mr. Ralston) whether they intend to let such pernicious propaganda be carried on, at the expense of the country, against the French Canadians who have enlisted in the army.

In fact, those reports sent out by the intelligence service at Ottawa to all officers and district commanding officers are such as to

arouse in the minds of those army officers hostile feelings towards the French Canadians who belong to the army. Because those reports are distributed by the government and form, as it were, the journal of all army officers, a secret journal perhaps, secretly distributed, but none the less a journal, I believe they are bound to arouse within the army feelings that make for antagonism on the part of officers against new recruits from our province. I demand that remedial action be taken immediately, and I wish to voice a formal protest against the mentality which exists in the Department of National Defence at Ottawa.

Before concluding I must say how much I regret that the following statements should have been made in an advertisement published by the Department of National Revenue. The plebiscite is discussed therein and as a conclusion to this advertisement entitled "As I See It":

> In a few weeks time, this country is holding a plebiscite, when our people will be free to answer "Yes" or "No" to a question, or not to vote at all.
>
> As I see it,—Hitler would vote "No". Quisling would not vote, Canadians will vote "Yes".

That is signed "Colin Gibson, Minister of National Revenue."

Well, Mr. Speaker, if a plebiscite is to be held throughout the country, as well as in the province of Quebec, it means that the government are asking the people to express their opinion. The people are quite free to vote "yes" or "no." Why should a government official tell them beforehand that if they vote "no" they will brand themselves as Hitler's followers? In Quebec as indeed in all other provinces, many people will probably vote "no." I submit that those who vote "no" are not followers of Hitler but people who, believing in the justice of the cause, want victory for the allies, for democracy and for this country. That is why they want to win the war. They wish above all to ensure the defence of our own territory which is now threatened and I am convinced that whatever decision the electors take when voting on the plebiscite will be in favour of the defence of Canada, our country. I believe, Mr. Speaker, that any man whose main ambition is to defend his country is not necessarily in league with our enemies. He is not necessarily a follower of Hitler; on the contrary he wants to ensure the defence of his country against any attack by Hitler and the Germans.

We have here in Canada vast areas of land as large as the whole of Europe itself; our coastlines are fully as long as those of that continent, yet we have only a very small population to ensure the defence of the country.

Australia made the mistake of sending her troops overseas and to-day she finds herself faced with direct attack by a rapidly advancing enemy. What is her position? She is obliged to recall troops serving in Libya or elsewhere, in order to organize her own defence. In view of the sacrifices we have already made, in view of the 500,000 men already under arms, a great many of whom are at present in Great Britain, helping in her defence, I believe that our first duty at the moment is to devote all our energies to the defence of this country.

Mr. Speaker, I contend that any man who terms a French Canadian or an English Canadian voting "no" in the plebiscite a supporter of Hitler, is not telling the truth, and that he is spreading propaganda designed to ensure an affirmative vote. This, I believe, is the worst possible form of propaganda. When the government asks to be released from their commitments, they are within their rights. When they ask the people to answer "yes," they are within their rights. But, Mr. Speaker, the very principle of the plebiscite is freedom of expression, without any prejudice to the opinion which may be expressed at the polls by those who will be called upon to do so, whatever their answer may be. If we want to preserve mutual understanding in this country, as I ardently wish, if we want to maintain national unity, as I profoundly hope, if we want to be united in a fruitful common endeavour capable of leading us to eventual victory, if such be our purpose, then let the people decide for themselves in peace and tranquillity according to the dictates of conscience, to their own sentiment, and I am convinced that such sentiment will be truly Canadian and one which, once the plebiscite is over, shall truly represent national sentiment in this country.

Mr. J. H. HARRIS (Danforth): I rise to support the principle of this legislation. As I listened to the hon. member for Quebec-Montmorency (Mr. LaCroix) my thoughts ran back to the time some eleven years ago when it was my privilege to occupy the same seat that the hon. member now graces. The opinions I expressed when I had the privilege of introducing a resolution having to do with the expansion of empire trade, and the thoughts that ran through my mind when I gave expression to those opinions at that time, were in decided contrast to those which emanated from the hon. gentleman who has just taken his seat. I was one of those who realized at that time—with all due deference to my leader (Mr. Hanson), who says that perhaps he was the first to originate this idea—that if we look through the history of mankind and of civilization we can come to but one conclusion, and that is the conclusion

summed up in the hackneyed phrase that the greatest agency for good which we have known in modern times, which modern history has presented to us, has been that agency for good known as Britain and the British empire. We must preserve that agency if we want to preserve our way of life. That is patent; it is obvious on the very surface. Well, here is an opportunity for every one of us to rise in his place and support this billion dollar credit which is going to make it possible for us to help hold the position we now have.

It is quite sound to issue warnings such as came from the leader of the Social Credit party (Mr. Blackmore) to-day with regard to the cost. The cost must not be excessive, he says. Of course it must not be excessive; it must be right and fair in all industries. One piece of work which we have to do here is to see that it is. We know that the minister will surround the legislation with safeguards of all kinds; but if he does not, if the safeguards are not there, then our task as members of this house is to see that they are put into the legislation.

The hon. member for Yorkton (Mr. Castleden), speaking yesterday, quoted professors in regard to the cost of producing wheat, and he said that the farmers would probably get less than production costs. I doubt whether there is any merit in that, but we have our committee on agriculture which is studying the problem and we can make sure that they get their costs. I am doubtful whether Britain will want wheat in this billion dollar credit, or at any rate any sizeable quantity of wheat, so that perhaps the hon. member's worry in that regard will be rather unjustified. I do not think it will be as serious as he wants us to believe, from the speech he made yesterday. It is more important that we get to Britain the very best we have in planes and tanks, guns and munitions, supplies and foodstuffs.

This morning I received two letters from overseas postmarked field post office, February 28. In one letter it is stated that a young man named George Willis, who played centre-half for Western university, was in the channel show. His plane came back, and it was a pretty good plane; but the author of this letter says he is satisfied that Canada can produce better and bigger and safer planes for our boys. Let us therefore get this billion dollar credit through and supply them with better and bigger planes. He also says in the same letter that they are hearing about the plebiscite over there. My hon. friend who took his seat a moment ago also said something about that. In passing I would quote the opinion expressed in this letter, that they are extremenly perplexed about it. I wonder whether the emissaries that have gone to take the vote might not have served a better purpose had they been emissaries who would help in our general industrial picture. I say that because I think we should see to it that we get the right kind of supplies to Britain. I shall have more to say about that in a moment, but in order to keep the discussion straight I would answer some points raised by the hon. member for Témiscouata (Mr. Pouliot) last night—and I couple him with the hon. member who has just taken his seat and my monosolo friend who represents the single-man party in the far corner of the house. Listening to their speeches I sometimes wonder what good they are doing the general cause. This letter says: "The last two nights Lord Haw-Haw has really been"—to use his own language—"razzing Mr. Churchill." Then further on:

> It seems too bad the way Haw-Haw rants Churchill. It reminds me somewhat of a debate I heard on one occasion in the House of Commons.

I thought when I read that that those who have decried statesmen in the United Kingdom and elsewhere the world over who are serving their country as best they know how, even as our men are trying to do to-day, and called them names—these hon. gentlemen, like the hon. member for Témiscouata, are the Haw-Haws of Canada at the present time. Words which emanate from them find their way into the minds of malcontents and dissatisfied people, with the result that in my opinion they are not doing any service to Canada. I heard it said within the last month, by one who had spent a good deal of his time in France, that one of the difficulties France had in the ten years before she fell was the expression by those who occupied seats in a chamber similar to this of views which did not make for unity in that country. I say to my hon. friends that the views they are now expressing are not making for unity in this country.

Think of our friends in Quebec province—when I say Quebec province I mean it in the sense of the geographical boundaries, and when I refer to the maritime provinces the same applies. I say to my hon. friends from Quebec province that we in Ontario have a great deal of admiration for them. The hon. member for Témiscouata last night referred to that committee for total war "from Toronto". Just keep the record straight; hon. members know that the two hundred who happened to meet in Toronto—Toronto is a meeting place; that is what the Indian word means—might just as well have met in Montreal. And when his opinion is reinforced by one I heard expressed by the hon. member

for Dorchester (Mr. Tremblay), that these people from the vicinity of Toronto have been in Canada for only five or ten or fifteen years and that they should go back and defend their country while the hon. member stays here and defends Canada—sentiments of that kind do not help towards unity in this country and do not help the cause which this bill is trying to further. We have had enough of that. The time has come when we should address ourselves to an all-out war effort in accordance with the legislation that is handed to us, and if we can add anything to it in a constructive way, it is our duty, as I see it, so to do.

I am hopeful that this legislation will help our Canadian position from this point of view. The United States-United Kingdom lease-lend legislation, as the minister well knows, had some restrictions with regard to exportable surpluses from the United Kingdom. I do not think the word "preference" was used, but the United States under the terms of that agreement had a first call on those exportable surpluses, with the result now that Canada in her effort to get essentiality certificates for some materials which are not manufactured or produced here in sufficient quantities finds that the United States priority or preference is taking those exportable surpluses. This legislation and this credit which we are granting now will in my opinion help the minister and help Canada to get a fair portion of these exportable surpluses and put us in a stronger position than formerly obtained.

I hope when the minister gets this bill into the committee that he will enlarge on that point. As he well knows, the empire trade agreements, of which he was a supporter and for which we give him credit, tended to allocate blocks of production among the different units of the empire. For instance, we allocated to his constituency the matter of apples—that is on the food side. But on the manufacturing side preferences were arranged in such a way that we in Canada did not push the production of certain commodities which perhaps it is not economical for us to produce, or which it was more economical for the United Kingdom, or Australia or the other signatories to the empire trade agreement to produce, with the result that trade has got into these grooves, in quotas or blocks. Now the United States-United Kingdom lease-lend act has taken priority over this quota arrangement, and Canada in turn in many lines of industry is not able to increase production quickly enough to take up the slack, the slack being the quota which she previously imported from the United Kingdom or Australia and which we were encouraged to import to help provide the United Kingdom with the Canadian dollars which she so badly needs. We thought we were doing our patriotic duty in that regard, and we were. But as I say, one of the brightest spots in this legislation is the fact that now we have this extra lever, as it were, to help us to get a fair proportion of the quotas which Canada was previously accustomed to receive.

These restrictions and inhibitions of one kind and another which face us from day to day also have some bearing on the supplies that we shall receive from Britain and on this particular bill. I was thinking of the gasoline restriction. Of course we have to have gasoline restriction; it really means rubber restriction. I was struck by what the hon. member for Queens-Lunenburg (Mr. Kinley) had to say about one very large item of import which comes from the United Kingdom, namely, liquor. This parliament through its gasoline controller and rubber controller controls in a measure that trade, in harmony with the different provinces. I am of opinion that legislation could be devised to control the flow of liquor—"ration" is perhaps a better word—which might be made available to our people. What applies to that applies also to beer. Something of the kind is perhaps overdue at the present time. We have to beware of the juice which comes out of the swamp or the bottom of the corn silo; we have to see to it also that the pick and shovel man, the workman who is accustomed to a glass of beer, can have it if he wants it. But I question whether clerks and other white collar folk, male and female, should be allowed to have unlimited quantities of these commodities. I am firmly of opinion that our people are improving in that regard. Looking out of my window at the Chateau Laurier at one-thirty this morning I saw only one car on Connaught square or the driveway. Peacock Alley is deserted; the mezzanine floor is very quiet. Perhaps these places could be turned into accommodation for the dollar a year men. The cocktail party rooms are very quiet, and in my opinion we are getting better and better. Our people are getting away from the Alice in Wonderland idea which an hon. member mentioned last night; they are getting around more to the Joseph in Egypt idea, and I believe the minister and all the rest of us should encourage our people to be more provident and to put away something for the difficult days ahead.

That thought ran through my mind particularly this morning, when I heard over the radio that ceiling prices might be applied

to maple products, maple syrup, maple sugar and so on. I recall being at the Smithfield market in London some two or three years before the war, and seeing a complete exhibit of Quebec maple products. I would ask, Mr. Speaker, that the maple products not only of Quebec but of all parts of Canada should be developed to the full this year. Every possible tree should be tapped; every possible pound of that product should be made. The price structure is such as to encourage that; and while no details were given over the radio, I hope those administering the price ceiling will make it sufficiently elastic so that every possible pound of these products may be made, so that this year we may again decorate the Smithfield market and all the other markets of the United Kingdom with these commodities.

We have the Minister of Finance (Mr. Ilsley) who comes from the maritime provinces, as does my hon. leader (Mr. Hanson), the hon. member for Queens-Lunenburg (Mr. Kinley), who spoke last evening, and one or two other hon. members at present in the house. Referring to the maritimes as a geographical section of our country, it is simply too bad that the people of those provinces cannot produce enough meat products to feed themselves. They are producing only a little more than half what is required to meet their own requirements. We in Canada may have to go on rations if we hope to be able to send large quantities of some meat products to Britain under this measure. Even our friends in Quebec do not produce sufficient meat products to feed themselves. Ontario and western Canada have to send some of their surplus to feed that half of our people. We should be sending all our surplus to Britain under this legislation. I have forgotten how many million pounds of bacon and pork products we are going to be short in our shipments to Britain this year; and next year we will be short four times that amount. In the kindest possible way I say to our friends from east of Montreal: grow every possible pound of meat products you can produce, in order that you may at least come close to feeding yourselves in this regard.

Britain is delivering the goods to us, and is cutting down the home consumption of certain commodities in order to do so. I am going to make one further suggestion, which I think perhaps has some constructive merit. Most of us have had the privilege of packing boxes for shipment overseas; I think eleven pounds is the limit we are allowed to send. Very often we put in those boxes English biscuits, English marmalades, English pipes and tobaccos—this Storm King pipe, for example, is English—English Rolls razors and razor blades, English plum puddings, and tea packed in England. Undoubtedly many of these things were sent back to England, particularly at Christmas time. The Postmaster General will know the correct figure, but I am sure at least 400,000 parcels have been sent to our boys overseas; and at the low valuation of $5 each this would mean $2,000,000 worth of products. Well, if only one-quarter of that total consisted of English goods there would be a saving in shipping space back and forth equal to what would be required for half a million dollars' worth of merchandise. Surely it would not be a very big job to set up and control, perhaps through our high commissioner's office in England, a depot from which these delicacies —and they are delicacies, because the people of no other country know how to pack these particular articles—could be distributed. There could be a clearing station there, so that we in Canada could give Britain our Canadian dollars—and we are glad to do it—and an agency there could pack and ship the goods to our boys. England must deliver goods to us, but she could do so in this way, so that these candied fruits and other things that we send our boys could be delivered there. At the Chateau Laurier to-day I picked up a package of tobacco that came from England—

Mr. REID: Would not most of these articles have come to Canada prior to the war?

Mr. HARRIS (Danforth): I was looking at the import figures, and they are still coming in very substantial measure. I could hardly catch what my hon. friend said, because of the Scotch burr in his voice. I am quite sure the Scotch goods are coming over in ever-increasing quantities, though I hope they are not being shipped back to our boys in the overseas parcels.

Then another thought occurred to me, to which I gave expression on a previous occasion, concerning the same problem that faced us in regard to producing sufficient of certain commodities to satisfy our own Canadian requirements. That had to do with people in England in the sixty to seventy year old bracket, who find themselves without vocations due to the fact that their plants have been bombed out, and there is no hope of being able to rebuild them until after the war. Many of these people have expert knowledge, not of running machines, for I am not thinking of mechanics, but of processes in different lines of industry such as the manufacture of soap, if you like, or something like that. At the same time similar industries in Canada are faced with a shortage of machinery and equip-

ment. So that the possibility of transplanting entire industries to Canada, together with some of the older or handicapped men who might be spared, in my opinion is something to which we should give thought, and to which encouragement could be given under this legislation.

I want to warn our people about the complacency which seems to possess them. As the hon. member for Vancouver South (Mr. Green) said, they seem to think that "it can't happen here." It can happen here, and we must stir up our people to greater activities in every line of endeavour. Even the people in our financial circles seem to take things for granted. I hold in my hand a card which a man presented to me in my office in 1938, the year before war was declared. He asked for his card back, but when I saw what was on it I retained it and I still have it. He carried with him an introduction from one of the banks of Canada backing him to the extent of $100,000 in any transaction that he might consummate. This cards reads as follows:

Dr. Ing. Ernst H. Bluman
Director der Vereinigte Stearinwerke G.M.B.H.
Hamburg, Germany, Tel. 34.6021/23.

That means that he was a director of the stearine manufacturing industries of Germany. His address on this continent was the hotel Gladstone, 114 East 52nd Street, New York city. This was just before the war, and yet this gentleman, who was a high ranking officer in the German army, was backed to the extent of $100,000 by one of our financial institutions. Perhaps I may explain that stearic acid comes from the manufacture of glycerine. One hundred pounds of stearine makes thirteen pounds of glycerine and eighty-seven pounds of stearic acid. I cannot help but think of the complacency of the head of that financial institution who just before the war was quite willing to introduce a German spy to industry in this country. It just shows that this complacency is not found just among our ordinary citizens; it seems to have entered into the whole fabric of the Canadian people. This illustration may not be the right sort to use, but it just shows how we are thinking.

In my opinion we are not doing nearly enough. Why not? Not only do those of us who sit on this side of the house find it difficult to find places to exercise our talents, if we have any; there does not seem to be any power emanating from this chamber which is ready to tap the people on the shoulder and tell them that they must do such and so. I think something my hon. leader said fits the occasion better than anything I can think of. We seem to be surrounded by a sense of frustration. During the sittings of the war expenditures committee last summer certain hon. members seemed to feel that at times they had a political duty to perform. That spirit was not apparent very much, but it was apparent too much. I see evidence in this chamber every day that hon. members think they have a political function to perform for their own particular party. They do not nail to the mast-head a really all-out war effort. If we are going to win through we must submerge our own narrow partisan viewpoints and give to Canada more and more of an all-out war effort. If we do that, others will follow our example; others will be encouraged to do likewise. The Right Honourable Winston Churchill referred to those who sit back, the slackers. The day has come when we must tap them on the shoulder and tell them what they must do.

I am satisfied that we are going to win through. I am optimistic about that. We must do away with any idea that this is a land of afternoon pink tea parties, or, as someone mentioned, a land of cocktail parties. There is no room here for pink tea Johnnies and others who attend such functions. We are in a very serious business. Therefore I entreat all members of the house, all the people of Canada, to knuckle down to a really all-out war effort.

It matters not if my grandparents came from England a hundred years ago and yours came from some other country four hundred years ago; we are equally Canadian. I implore my hon. friend, who I see has just come back into the chamber, not to talk about 1666. We will stand side by side with you, not only here in Canada to protect this country but in the first line of defence in the United Kingdom. I say to my hon. friend that the St. Lawrence river and the gulf of St. Lawrence will not always be packed with ice; there will come a bright, sunny day when something may slip up that river. Then you will be in difficulty and we will not be nearly as complacent about what our duty is with regard to Canada. The descendants of those who came here with Wolfe's highlanders and fought on the plains of Abraham, of those who came over on the steamship *Hector* many generations ago—their great grandparents are buried here. They are anxious to protect this land. They realize where the first line of defence is. What obtains in the east obtains to the same degree, if not more so, on the west coast.

Our first line of defence will not be just the west coast line, although it is a line of defence; it is likely to be back in the Rocky mountains. We must show a united front. I want to be able to answer this letter from overseas and tell the men over there not to be perplexed about what Canada is going to do. This perplexity comes from utterances such as those

of the hon. member for Témiscouata. Let us all fight in the first line of defence so that civilization as we know it may survive and not be placed under the heel of the dictator.

Mr. SPEAKER: Shall the motion carry?

Mr. LaCROIX (Quebec-Montmorency): On division.

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

Mr. HANSON (York-Sunbury): There were certain things which during the course of my few remarks I suggested might be explained by the minister. I think I was under a misapprehension with respect to the nature of the $700,000,000 item. Upon reading the minister's remarks I should like to ascertain whether the sterling assembled in England amounting to $700,000,000 represents domestic securities of Canada which were issued in sterling currency and held by British nationals and vested in the British government under the treasury order referred to, or does it represent dominion or dominion guaranteed securities. These securities are being held as collateral for the obligations of the British government, which are to be expressed in terms of Canadian dollars. I should like to have this point made plain.

I think the minister should tell the house and the people of Canada just how it is proposed to spend this money—just how much will be in one category, how much will be in another, and under whose auspices the purchases are to be made. Are they to be on requisition of supplies from the British government, or are we to be on our own in procuring these supplies? I assume that some plan has been prepared. If not, a plan should be prepared, and we should be told not only in general but with some particularity the government's proposals for the expenditure of this money. It is a huge sum of money and, as has been correctly stated, it, or at least a substantial part of it, will be added to the debt of this country. Doubtless some of the money will be obtained by taxation. I may have something to say about that method of raising the money at a later stage, but not now, because I do not want to delay the committee. But having adopted the principle of this billion dollar gift, which, after all, is not a gift but the payment of an obligation, we should have from the minister some statement of how the money is to be allocated.

First I think we should have a statement of how the minister proposes to raise the money. I am not going to follow the suggestion made by the hon. member for Lethbridge, that the money should be raised by his particular brand of financing, but I do say we should know how much we are to borrow and how much we are to raise by taxation. Then how much does the minister estimate will flow back into the federal treasury and into provincial and municipal treasuries by way of taxation, because I anticipate that a very large portion of this money will come back into provincial and municipal treasuries and the greater portion reflow into the federal treasury.

I am at the moment thinking of the control of this expenditure. It is important that we be told what control there is to be of the expenditure. I am assuming that the government already has a plan and that the minister will reveal it here to-day or at some stage of the proceedings.

I am wondering whether there is going to be any politics in the expenditure of this money. I hope not; but having regard to what has occurred in days gone by—not so much now as in the earlier stages of the war—we should be told whether or not there is to be any politics in this expenditure. I do know that there has been injected into our spending the question of political expediency. I do not think there is nearly as much politics to-day in the expenditure of moneys voted by parliament for the war effort as there was in the earlier stages, but I am telling the house and the country that so far as the peace-time activities of the government are concerned, there is still a selected list and the government's peace-time expenditures are still being made on the basis of political friendship. There are still standing in the public offices of this country selected lists of persons who are to be asked to do thus and so for a consideration from the public treasury; and other people, just as in peace time, have no right even to be asked if they are willing to supply the goods.

With respect to foodstuffs, will the principle of public tender be invoked, and to what extent? I have just heard a startling rumour, and I am going to ask the minister if it is correct, that the Department of Finance is no longer giving information, after a contract is let, and after the contract is completed—contracts that may have been let under the tender system—and I ask the minister whether it is true that they will not now give information as to what the competitive bids were. I am afraid that rumour is only too well founded, but if it is not, the minister will correct me and make the position abundantly clear. If it is correct, the ordinary peace-time modus operandi of government expenditures has now gone by the board. We no longer have details of government expenditure

appearing in the auditor general's report. That is abundantly clear to everyone who looks at the report. How much do you know from that report about the ordinary peace-time expenditures of this country? Certain large items appear, we know, but just how much do the Canadian people know of where the money is going.

I had a communication from a distinguished Canadian to-day with regard to the moneys that were raised in the recent victory loan campaign in a particular province which had done, I thought, exceptionally well. Now that the loan is over, I think the Canadian people are to be congratulated upon having responded in the magnificent way they did to the country's call—assuming that you approve this method of financing, which I think most of us do. But this distinguished Canadian said to me: "What are you doing to see that this money is properly expended and that we get one hundred cents of value for every dollar of it that is spent?" That was a question which caused me to pause and ask myself, what am I doing? I have some responsibility; you have some responsibility; and the responsibility is on the minister above everyone else because he is the watch dog of the treasury.

I think the Canadian people ought to have from the minister a statement of government policy, and one of the fundamental things the minister should tell us is that political partisanship, political favouritism, is barred in connection with the expenditure of the money that was raised by taxation and loans from the whole Canadian people. We have still got the party system in Canada. How can a government which carries on under that system divorce itself from all the curses that go with that system? That is the question I put to the Minister of Finance. How far has the government divested itself of that in war time? We know that in the first two months of the war our war effort was a moderate effort. I am not going to go back over that, but we know that after Dunkirk and the fall of France, about June, 1940, this government increased the tempo of Canada's war effort.

What was their criterion at that time as to finance and the expenditure of public money? The only criterion was the speed—how quickly could we get this thing done? I do not ask hon. members to take my word for it; I ask them to accept the words of the Minister of National Defence for Air, who from his place in this chamber made what was, I think, the most candid declaration I ever heard by a cabinet minister. He said that the chief thought behind the effort of the government, of his department in particular—and I think he was speaking more particularly of his department—was speed, and that they were not giving any consideration to the question of value received.

Mr. ILSLEY: I do not think he said that.

Mr. HANSON (York-Sunbury): Well, probably I am going just a little too far. But I know this—

Mr. HOMUTH: "Less consideration", he said.

Mr. HANSON (York-Sunbury): On a comparative basis, that speed and nothing else was the motivating principle.

Mr. ILSLEY: He did not say "nothing else".

Mr. HANSON (York-Sunbury): That was the underlying theme of the minister's statement. I have not his words in front of me; these thoughts just came to me when I was speaking. But is there anyone here who heard him who does not remember that that was the factor on which he laid stress; that that was the motivating factor of the government—of his department, at all events—to get speed, without particular regard, I will say, to the question of value received?

I want the minister to be as candid with this committee as it is possible for him to be. The Canadian people, I believe, trust the Minister of Finance; most of them think he has done a pretty good job. I think so. I am candid; I want to say that. The minister has an enormous burden on his shoulders. But he is the head of the treasury, responsible to the people of Canada. He is the man who asks them to furnish him with the money, and they look to him to see to it that they get value for their money. Are they getting it? Are the administrators of the armed forces showing an example to the people of Canada in preserving commodities which are scarce? I have a letter to-day with respect to this very question of gasoline rationing and the allied question of rubber saving, pointing out to me—what I know from personal observation—that in the army, in the administrative staffs at these various places, nobody walks: if they have to go two blocks they ride in an automobile which the government services with gasoline.

Mr. MacNICOL: And leave the engine running.

Mr. HANSON (York-Sunbury): Yes. In front of my own home in the city of Fredericton is a military hospital the use of which has been donated by connections of mine free of charge to the government. I have counted ten automobiles in front of that

hospital in the winter time, several of them with the engines running. Nobody walks but the buck private.

Mr. GRAY: 'Twas ever thus.

Mr. HANSON (York-Sunbury): That is a confession of defeat—to say that it was ever thus. Somebody must take hold of this situation.

Mr. GRAY: I am not condoning it.

Mr. HANSON (York-Sunbury): I know. I agree; you and I are not condoning it. I cannot stop it, but I am asking the government to do something about it. To say that it was ever thus is the confession of a defeatist. Let us not be defeatist. Let us put our hands to the plough here to-day and say that waste—waste of the people's money, waste of scarce gasoline, wastage in every line—shall henceforth be taboo.

I had not intended to say anything like as much as I have said. But I want the minister to tell us how he proposes to spend this money—under what auspices, by what means —and give us a reassurance that it is not to be spent to build up the fortunes of the Liberal party.

In the days of peace we would never have thought of passing an appropriation for $10,000,000 for expenditure by order in council without having all kinds of guarantees of how it would be spent—by a public tender system and what not. But we have departed from the well-known paths of duty to the Canadian taxpayer with respect to the expenditure of public money, because of the pressure of war. My friend the hon. member for Davenport calls attention to what occurred in 1930 in this very chamber, when the prime minister of the day asked for an appropriation of $20,000,000 for relief. I see in front of me three hon. gentlemen who were sitting over here at the time. They will recall—and I am not complaining about this—how for thirty days or more that appropriation was held up, when there were people who had been denied relief and were actually hungry. I do not say that my hon. friends exceeded their duty. I always thought they went a little beyond what was necessary. But they were playing politics in a large degree at that time—

Mr. MacNICOL: Nothing else.

Mr. HANSON (York-Sunbury): —and that was part of the game. The situation is different now for all of us, and I ask the Minister of Finance to give this committee a reassuring statement with respect to the principle for which I am trying to contend in a rather haphazard and discursive way.

[Mr. R. B. Hanson.]

We support the principle of this measure. We do it with the best of good-will for the objective which the government has. Now reassure us that the people's money will be properly expended. Tell us how you propose to do it.

Mr. ILSLEY: I will begin by dealing with the earlier points. The leader of the opposition asked me about the vesting of securities.

Mr. HANSON (York-Sunbury): That is a technical matter.

Mr. ILSLEY: All I can say is that the government and railway securities which we propose to repatriate are being vested, as it is called, in the British government; that operation will take place or be completed on the twenty-third day of this month, and we are very anxious to get the securities here as soon after that date as possible. That is one of the reasons why I asked the house to facilitate the passing of this bill before the Easter recess.

Of course there is another reason. The effective date of the beginning of this gift will be early in March, and to the extent of $70,000,000 or $80,000,000 this bill has the character of a supplementary appropriation. For that reason also I should like to have it passed by the house before the Easter recess.

With regard to the arrangements for the expenditure of the money, the ordering of goods from Canada by Great Britain will go on, so far as I know, in the coming year just as it has in the past.

Mr. HANSON (York-Sunbury): Through the same agencies?

Mr. ILSLEY: Through the same agencies. The wheat board will continue to make sales of wheat through the agencies which they use, the agency of the British government which buys wheat.

Mr. HANSON (York-Sunbury): In that connection, is there any information with respect to how much wheat they will take—

Mr. ILSLEY: No.

Mr. HANSON (York-Sunbury): —having regard to what is occurring in Great Britain? The minister knows, does he not, that the British government are accelerating by bonus and otherwise the production of more wheat in England. On the other hand they are cutting down the consumption of wheat flour in bread.

Mr. ILSLEY: I do not know how much wheat England will take. Something will depend on shipping conditions, among other factors; but no matter how much Great

Britain stimulates the domestic production of wheat she will take a substantial quantity of wheat from Canada if it is possible for us to ship it. With regard to the main purchases by the United Kingdom in Canada, they are made through the agency of the Canadian Department of Munitions and Supply, which buys in Canada for the United Kingdom government, and that will continue in the future as in the past. There will be no change, so far as I know, or have heard, in the channels of supply of goods or in the arrangements for the ordering, the purchase and supply of goods to Great Britain. There will be a price on all these goods. They will be sold at prices as usual. The price of bacon will be fixed; I think I am correct in saying that it has been fixed for the year beginning the first of October, if I remember rightly. The price of cheese either has been or will be fixed; and the wheat board will make its sales of wheat having regard to the regular market considerations which affect the price.

Mr. HANSON (York-Sunbury): What are those conditions to-day in regard to wheat?

Mr. ILSLEY: That is not in my department and I would not care to go into that. I do not want to get on to wheat again if I can help it; but so far as arrangements are concerned, no new arrangements are contemplated. The hon. gentleman said something about the importance of getting value for the money that is spent by the Canadian government. Needless to say, I wholly agree with him in that, so much so that when I get the kind of letters that all of us receive, and which he gets, pointing out instances of what is or appears to be extravagance in governmental expenditures, I always take it up with the departments concerned, and in practically all cases there is a fairly satisfactory explanation. I do not want to get deflected into petty details at all, but as an example I might mention an incident that came to my notice not long ago which impressed me. A letter was received from the secretary of an organization in one of the western cities, a lady, who said that her organization had been promoting the sale of war savings certificates and one of the main obstacles they had to encounter was the feeling among the merchants of the city that the government had been extravagant in the furnishing of officers' quarters at a manning pool in the city; and some details were given which showed a rather luxurious scale of furnishing of the quarters, or so I thought. I took that up with the Department of National Defence for Air and I found that the expenditure by the government there had been, if I remember correctly, just under $3,000 and the expenditure of donated money had been about $6,000.

Mr. MacNICOL: Would it be excusable to squander donated money?

Mr. ILSLEY: The money was not donated to the government and the government had no control over it.

Mr. MacINNIS: It would be given to the officers.

Mr. ILSLEY: Yes; it was money given these men to buy chesterfields—

Mr. MacNICOL: They should not be allowed to do it in war time.

Mr. ILSLEY:—furniture, and so forth. These ladies who were trying to sell war savings certificates ran into the complaint everywhere they went, that the government had spent all this money, and I was able to clear that up. I gave that as an instance to show that in a great many cases which I have taken up with the spending departments the complaint has been susceptible of explanation and has been explained. I pointed out to my correspondents that in a huge war effort such as ours there will be a great many individuals in responsible positions whose performance will be far from perfection, and whose operations are not amenable to complete control, and that therefore there will be some money wasted. But all I can say is that I believe my colleagues do the best they can to keep as tight a rein as possible on expenditures. The great spending department is the Department of Munitions and Supply and I have a great deal of confidence in that department. The leader of the opposition asked if there were not patronage lists. He did not use that term but he described patronage lists pretty accurately in the language he used. So far as I am aware, there have been no patronage lists from the beginning of the war, and I do not think that is the case. If you will look at the personnel of the Department of Munitions and Supply I do not think—

Mr. HANSON (York-Sunbury): I am not speaking of war expenditures at all but of ordinary peace-time expenditures.

Mr. ILSLEY: Taking ordinary peace-time expenditures—

Mr. HANSON (York-Sunbury): Go to Fredericton and see where the experimental farm buy their requirements—from Mr. W. G. Clark, who is the lieutenant-governor of the province.

Mr. ILSLEY: I do not know about non-war expenditures. As a matter of fact I have not felt any particular obligation to go into that question as Minister of Finance, in regard to non-war expenditures. I presume that the normal practices prevail, which might have

been exceptionable in some instances. But on the whole there has been nothing to complain of. For the most part tenders were called for, the opposition criticized them in the house, and the government was called upon to produce papers, answer questions, and so forth. But one thing we have done which was not done in the last war—and I do not say this for the sake of making a party comparison. I say it in order to show that there has been an advance in public morale, in what the public will stand for, if I may put it that way. In war expenditures, in anything connected with the war, we have made from the beginning a strong point of the principle that there should not be any politics in it. We have had some little trouble with some of our people because they do not always agree with that. But so far as I am concerned, so far as my colleagues also are concerned, we have repeatedly taken the position that we cannot ask the people to put up huge sums of money for a war which is a war of all the people of the dominion and have any favouritism as between parties in the expenditure of that war money. And so far as I know there has not been any. There may be some instances that the hon. gentleman knows of that I do not. But as I recall it he has asked this question, and has gone so far as to make it more than a question; he has made it a statement once or twice in previous years, and I always thought the explanations he got from the Minister of National Defence and others were pretty satisfactory.

Mr. MacNICOL: I suppose the black eye said to have been handed out a few days ago—

Mr. ILSLEY: I do not know about that.

Mr. MacNICOL: —when a certain gentleman called at a ministerial office, is evidence that it is not occurring in that department.

Mr. HANSON (York-Sunbury): Would the minister outline the system of treasury control? The Department of Munitions and Supply get a requisition, I understand, from the Department of National Defence for certain articles which they buy. What is the method of treasury control in relation thereto?

Mr. ILSLEY: The money is voted by parliament in the war appropriation. It is allocated to the Department of National Defence in accordance with the draft estimates submitted by that department and approved by the treasury board. The Department of National Defence requisitions the purchase by the Department of Munitions and Supply and that department makes the purchase. If the transaction is of any considerable size it is done by order in council. If it is under $15,000—I think that is the amount now; it used to be $5,000—the Department of Munitions and Supply simply make the purchase themselves without taking the matter to council. Periodically all purchases involving expenditures of under $15,000 are reported to council.

Purchases and contracts involving more than $15,000 are extremely numerous. I do not know how many thousands of them there are a month, but the number is large. They go before the governor in council, and as an internal arrangement a committee of the ministers known as the business committee of the cabinet passes on those orders in council before they go to the cabinet proper. It is impossible for a high degree of check to be undertaken by the business committee of the cabinet or by the cabinet itself. When I sat in that committee, which I did a good many months ago, I was always impressed by the great care which the Department of Munitions and Supply took in entering into any transaction to see that it was at least defensible. If there was anything wrong with the transaction it never appeared in what came before the business committee. It looked like a prudent and businesslike arrangement.

Mr. HANSON (York-Sunbury): One would not expect them to present it to the treasury if there was anything wrong.

Mr. ILSLEY: I do not believe there is much if anything wrong. I think that department has a great deal of business talent in it and no politics at all. If one looks into the political affiliations or party records of the senior officials, or the junior officials for that matter, of that department, he will find that they are not of the political complexion of the party now in power.

Mr. HANSON (York-Sunbury): They must be all right, then. One thing more. There is a system of treasury control in connection with all these war expenditures. I am not sure just how it operates. These men are here, there and everywhere. I have heard of them being in factories—

Mr. ILSLEY: Oh, yes.

Mr. HANSON (York-Sunbury): —in connection with cost-plus contracts. What is that system?

Mr. ILSLEY: That is the comptroller of the treasury, the finance department, Mr. McIntyre. No money is paid out unless there is authority for the payment and evidence which justifies him in paying the money, that is proper invoices, certificates and so on. He has his men everywhere all over Canada in every department. These, while they

appear to be officers or are technically officers of the various departments, are really officers of the Department of Finance.

Mr. HANSON (York-Sunbury): How are they appointed?

Mr. ILSLEY: They are appointed by the civil service commission for the most part—wholly I think. That staff of the comptroller of the treasury is a very large staff.

As to the cost accounting, there are certain contracts which are made on this basis by the Department of Munitions and Supply; a price is set—

Mr. HANSON (York-Sunbury): A target.

Mr. ILSLEY: There are these target price contracts; that is a peculiar type of contract. Prices are set; tenders are not asked, but the supplier says, "That is what it is worth, I think". The department thinks that is what the service or the work is worth and the department agrees to pay so much. But it is usual to have in a contract where there are no tenders a provision that the books of the company may be examined and, if the profit is excessive, it may be reduced to a certain figure, perhaps a percentage of the cost or a percentage of something. Wherever there is ground for thinking that the profit is excessive, these accountants representing the Department of Finance go and examine the company's books, and in some instances reduce the price.

Mr. HANSON (York-Sunbury): Has that actually happened?

Mr. ILSLEY: Oh, yes.

Mr. HANSON (York-Sunbury): I have seen some of these contracts. I had specimen contracts delivered to me by the Department of Munitions and Supply, and as a lawyer I want to compliment the man who drew them. They were good. I happened to know of the young man who, I think, was charged with the responsibility of polishing up those contracts, if not of initiating the draftsmanship. He is the son of an old schoolmaster of mine, and I wish I had his ability as a draftsman, although I used to plume myself in days when I was practising actively that I could draw a contract. But these contracts always imply that there will be a profit. That is quite proper. As to what is the measure of the profit I do not know. Occasions have arisen, I think, when there was a question as to the size of the profit. What is the principle upon which the government goes to-day? Is the limitation 5 per cent?

Mr. ILSLEY: I do not know.

Mr. HANSON (York-Sunbury): If the minister does not know I am not going to press it. By and large I think I agree with the minister that the contracts let by the Department of Munitions and Supply have been let without regard to politics. But I will say this—and the minister will hear more about it when he goes home—that with respect to allocating contracts to various parts of the country, our part has been overlooked entirely. His own friends in New Brunswick are complaining about it. The attorney-general of New Brunswick made a speech in the legislature on Thursday in which he deplored the fact that no war contracts had come to that province.

The ACTING CHAIRMAN (Mr. Bradette): It is six o'clock.

Mr. HARRIS (Danforth): Before you call it six o'clock, will the minister indicate whether he is going to be supported by some of the other ministers in getting this measure through the committee? What I have in mind is that some of the questions which some hon. members might like to ask relate to matters concerning other departments. Will the Minister of Agriculture (Mr. Gardiner) be in and the Minister of Munitions and Supply (Mr. Howe), or is the Minister of Finance going to handle the legislation alone.

Mr. ILSLEY: I did not think I would have to ask any other ministers to come in on this. I realized that all the ministers would have to be in, at one time or another, on the $2,000,000,000 measure, but this is the matter of a gift to Britain, and I did not think it would be the appropriate measure on which to go into all the war expenditures of the government. The leader of the opposition raised some question about it to-day, and I answered his questions as best I could. I should, however, like to get this resolution out of committee as soon as possible, and then introduce the bill and get on. There are several other measures on which hon. gentlemen can speak. I do not suppose I could get this out of committee to-night, could I, and make the bill available?

Mr. HANSON (York-Sunbury): I am agreeable, if no one else objects. I promised the minister I would help him through, and so far as I am concerned I am approving the resolution.

Resolution reported, read the second time and concurred in. Mr. Ilsley thereupon moved for leave to introduce Bill No. 15, for granting to his majesty aid for the purpose

of financing United Kingdom war requirements in Canada and for national defence and security.

Motion agreed to and bill read the first time.

On motion of Mr. Crerar the house adjourned at 6.05 p.m.

Monday, March 23, 1942

The house met at three o'clock.

JAMES S. WOODSWORTH

TRIBUTE TO THE MEMORY OF THE LATE LEADER OF THE COOPERATIVE COMMONWEALTH FEDERATION

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, the House of Commons of Canada has suffered another conspicuous loss in the passing of one who for many years took a prominent part in its proceedings.

James Shaver Woodsworth, whose death occurred on Saturday, was first returned to parliament as member for Winnipeg North Centre at the general elections of 1921. Mr. Woodsworth was returned at each subsequent general election. In all he was a member of the parliament of Canada for over twenty years. He came to parliament first as a representative of labour, and continued as a member of a small labour group until the formation, in 1932, of the Cooperative Commonwealth Federation. He was one of the founders of the federation, and became its president, and also its leader in the House of Commons.

Immediately following the general elections of 1940, Mr. Woodsworth suffered a serious impairment of health from which he never recovered. Though he made an appearance in this chamber in November of last year, it was only for a day or two. His health was such that he was unable to take any part in its proceedings.

In these years, when momentous changes are taking place in all parts of the world, and unprecedented events follow each other with unparalleled rapidity, the past tends to become quickly obliterated. New names, new issues, new situations, for the time being at least, obscure the old. Few names associated with the public life of Canada could better illustrate this truth than that of the late member for Winnipeg North Centre.

Mr. Woodsworth took no part in the proceedings of this House of Commons which was elected in the spring of 1940. Many present day members of the house would have difficulty in realizing that during the preceding twenty years there were few voices oftener heard in debate than his. There were, indeed, few opponents of the administration, regardless of its political complexion, who were more frequent, and at times more scathing, in their criticisms. One had to know Mr. Woodsworth personally and to be acquainted with the background of his political life, to appreciate him at his true worth. He was, when speaking in public, so constant in his criticisms, so downright in his denunciations, that it was difficult to realize how genuinely kindly, simple and sympathetic his real nature was. Not a few were all too readily inclined to describe him as a demagogue. To my mind, of men who have occupied seats in our parliament and have risen to position of leadership, Mr. Woodsworth was one of the most sincere and least self-seeking.

The truth is that Mr. Woodsworth remained to the end what he was from the outset, the missionary of a great cause. That cause was the well-being of his fellowmen. Social reform was the interest which lay nearest to his heart. To this interest, as a young man, he gave expression in different ways. He began his life work as a member of the Christian ministry. In this calling, he had succeeded his father who had been a Methodist minister. He prepared himself for the ministry by a course in arts at the university of Manitoba, and later by a course in theology at Victoria college, university of Toronto, and by post-graduate studies at Oxford. The knowledge thus acquired was subsequently supplemented by first-hand contacts with industrial conditions in England and Canada and by social research. Before and during his years in parliament, as preacher and teacher and writer, he sought to awaken the conscience of his fellow men to social injustices. In these injustices, he believed, lay the seeds of discontent and widespread disorder. Equally he strove, by advocating a wider tolerance and better understanding, to remove barriers of race and class and creed, and to establish more in the way of economic freedom and social equality.

In parliament, this spirit also manifested itself in the continuous advocacy and support of many measures of social reform. He believed in service as the highest of human motives, and exemplified his belief by his own untiring efforts on behalf of the cause he had so much at heart. He had come to feel that the widest opportunity for service and for the enjoyment of the fruits of service could be secured to the masses of men only by a radical change in the existing order of society. This led to an advocacy of socialistic measures and policies which made him a storm centre of some of the political controversy of the recent past. This controversy, as I have

already suggested, served to obscure, and, I believe at times, to thwart his real purpose.

To nothing was Mr. Woodsworth more passionately opposed than to any form of militarism. He was an out-and-out pacifist. Regardless of the antagonism toward himself, which this attitude served to arouse, and the sacrifices it entailed, he held to it to the last.

Philosophically, he was doubtless right in the belief that, in the end, force accomplishes nothing positive; that it is a mistaken method of achieving enduring results. What he failed to see was that, while, in the long run, reason alone can hold the true supremacy, reason must be afforded the opportunity to prevail. All chance to apply reason to the solution of human problems may be forever lost if those who seek to conquer by the sword are not made to perish by the sword. I shall always believe that it was the mental conflict between the idealism of Mr. Woodsworth's hopes and beliefs, and the realism of the horrors of nazism and fascism, that crushed his spirit and broke his strength.

It is too soon to judge the place that Mr. Woodsworth's name will come to hold in the annals of this parliament and in the history of our country. I, for one, believe it will have a high and honoured place, not because of the political doctrines he espoused, and with which a part of his public life was so closely identified—though, even here, it may yet come to be said of him as of other social reformers, that he was ahead of his times—but because of his upright character and his fearless advocacy of the right as it was given him to see the right. His independence of thought and personal integrity, his sterling qualities of honesty and industry, his courageous championship of the causes to which, by conviction, he was wedded, won for him the admiration even of those to whom he was politically opposed.

Mr. Woodsworth has left a name which is greatly respected in our parliament and country. It will, I believe, be increasingly honoured with the passing of the years.

I should like to extend to my hon. friend the member for Rosetown-Biggar (Mr. Coldwell), the present leader of the Cooperative Commonwealth Federation, and to the members of his party the very sincere sympathy of all hon. members on this side of the house, and particularly may I express a word of sympathy on behalf of us all to the late member's son-in-law, the member for Vancouver East (Mr. MacInnis), and to Mrs. MacInnis. I would ask you, Mr. Speaker, on behalf of all members of the House of Commons, to convey our sincere and deep sympathy to Mrs. Woodsworth and to the other members of her family in their great bereavement.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, once again the grim reaper has intervened and taken his harvest from among our membership. Once again we are reminded of what fleeting figures we are on this stage of public life.

In the death of the hon. member for Winnipeg North Centre, a figure which attracted attention from coast to coast for more than two decades has passed into the great beyond.

I well recall my first view of Mr. Woodsworth in the first session of the fourteenth parliament in 1922, when we both took our seats in the house for the first time.

A year or two previously, shortly after the Winnipeg strike, I had visited that city and had heard various tales of Mr. Woodsworth's activities at that time. I was curious to see him in the flesh. He had been painted to me as a socialist, almost a communist, as an agitator, and a demagogue. I was curious to know what his course of action would be in this house, having regard to what I had heard as well as to what I knew of his education, his background and his family traditions, having had, as he did, a pioneer Wesleyan minister for a father, and a mother of united empire loyalist stock.

I had not long to wait. This house met on March 8. The debate on the motion on the address in reply began on the thirteenth and on the following day Mr. Woodsworth entered the debate. If hon. members care to review the record they will find that in that first speech he dealt with a great variety of national problems, running through the whole gamut of economic disturbances, unemployment, unemployment insurance, production, the defence department and the problems of reconstruction. I then formed the opinion that here was a man who was intensely in earnest; a man who had strong opinions and the ability to express them. To some he may have appeared as a fanatic. However that may be, I think no one ever doubted his sincerity and honesty of purpose.

Throughout the succeeding years, whether in the House of Commons or on the public platform, he pursued his purpose and supported his ideals. Down through those years he fought for the under-dog, for social amelioration and for social justice. And he lived long enough to witness the fruition of two of his cherished policies—old age pensions and unemployment insurance.

I like to think that in his later years he had mellowed and had softened his opinions. I recall our last conversation in November last. Although unable to take part in the business of the session he had come to Ottawa for a brief period, shattered in health and wearied with the struggle. I called upon him in his office, and we discussed many matters—the state of the nation, the war situation, his health, and the probability of his return to active participation in public life. I left him with a sincere feeling of respect. Here was a man who had gone through the fire of adversity, through a stormy public life, and who had emerged with a philosophy of life, unchanged in its objectives, but full of charity and with some understanding of the viewpoint of those from whom he had differed.

To his loved ones, to the members of his party in this house, particularly his son-in-law, the member for Vancouver East (Mr. MacInnis), I offer on behalf of myself and those associated with me our sincere expressions of sympathy in the loss they have sustained.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, after the eloquent tributes which have been paid to-day to Mr. Woodsworth by the leaders of the two main parties, there remains little indeed for me to say. I shall merely attempt a sketch of Mr. Woodsworth as he appealed to me in the several years during which I was here in his company in this parliament.

I was impressed at all times with the surprising energy of the man and the courage which prompted him to plunge into the most painful positions and fight his way through—an industry which never seemed to fail, and a hope and faith which were constantly in evidence. I was surprised at the persistence which characterized him even when it looked as though there was no chance of achieving his objective. His sincerity no one could possibly doubt. In readiness and skill as a debater he had I think very few equals, if any, in this house during the time I have been here.

Mr. Woodsworth's life recalls to me some lines of Browning which have always delighted me. Perhaps I may be pardoned if I quote them:

> One who never turned his back but marched breast forward,
> Never doubted clouds would break,
> Never dreamed, though right were worsted, wrong would triumph,
> Held we fall to rise, are baffled to fight better,
> Sleep to wake.

[Mr. R. B. Hanson.]

Mr. Woodsworth was many times baffled but always rose to fight better, and now that he has gone asleep I think it is the wish and the hope and the faith of everyone here that he will wake to take up the struggle for humanity in another sphere.

To Mrs. Woodsworth and his children I would commend the fine character of a husband and father whose life can be to them a matter of rejoicing and a constant example and inspiration. To the members of his party bereaved of their leader I also express the sincerest sympathy.

Hon. J. T. THORSON (Minister of National War Services): Mr. Speaker, I desire to add my personal tribute to the memory of a great and courageous humanitarian.

Mrs. DORISE W. NIELSEN (North Battleford): Mr. Speaker, I should deem it an honour if you would allow me to express the feelings which I know are shared by so many Canadians.

A pioneer has passed on. In years gone by, when pioneers in new social thought were few, Mr. Woodsworth worked untiringly. Many were the old decayed trees of prejudice he felled, and much of the underbrush of fear and misunderstanding he cleared. He cultivated the minds of our people and planted the good seed.

In paying tribute, Mr. Speaker, to his memory I wish to convey to Mrs. Woodsworth the appreciation we have of the part she has played. Long years of love and devotion she has given, not only to her husband but to the ideals and ideas which he laboured to promote. Many an hour of companionship in her husband's company she courageously sacrificed, and because of her help, sympathy and understanding Mr. Woodsworth was able to give so much of his time and thought to the problems of the common people. No tribute to Mr. Woodsworth would be complete without a recognition of the part his wife has also played.

Many a year yet he might have spent with his wife and family had he not given so unstintingly of his health and strength in the cause so dear to his heart.

It is my sincere wish that the regret and sorrow which they and we feel at his passing may be lightened by the sure knowledge that in the fullness of time his labours will bear fruit. When the full light of a new

society floods the world we shall remember the man who saw its first pale gleam and so consistently followed it.

Hon. T. A. CRERAR (Minister of Mines and Resources): It is now almost thirty years, Mr. Speaker, since I first met the late Mr. Woodsworth. We were fellow townsmen of the city of Winnipeg. On the occasion on which I met him he was doing some work in connection with foreign settlements located in various parts of western Canada. I was impressed from the beginning by the earnestness of the man, the vision he possessed, and the thought he had as to how these newcomers to Canada should be assisted in becoming acquainted not only with Canadian institutions but with the whole picture of Canadian life.

I have followed his subsequent career with a great deal of interest. There were ocasions upon which I differed from him, but there was never for a moment any question in my mind of the sincerity, the integrity and the courage of the man. He was one who at all times had the courage of his convictions, and I am always ready to pay a tribute to a man possessed of these qualities of honesty, sincerity and courage. Men of this type are far too rare in the life of our country.

He has passed to the great beyond where, sooner or later, all must go, but he has left behind him a record of which his family may well be proud. He has rendered a service to this country, and, as the Prime Minister (Mr. Mackenzie King) has said, it may well be reported of him in the years to come that the policies he advocated were the forerunners of policies which yet may come to pass in this country.

I simply wish to join in this tribute of sincere admiration of his character, and to express my sympathy with all the members of his family.

Mr. LIGUORI LACOMBE (Laval-Two Mountains) (Translation): Mr. Speaker, parliament and the entire country mourn in the person of the hon. member for Winnipeg North Centre, Mr. J. S. Woodsworth, a man of wide culture, an ardent patriot and a renowned orator. The eloquence of this great Canadian which stirred and charmed the members of this house over a period of almost twenty years, stemmed from deep conviction as well as from extraordinary dialectic powers. May I be permitted to offer to the bereaved members of his family and particularly to the hon. member for Vancouver East (Mr. MacInnis), my heartfelt sympathy.

May I also express my deep sympathy to the hon. member for Rosetown-Biggar (Mr. Coldwell) and the hon. members of whom he remains the distinguished leader.

(Text) Mr. Woodsworth was a man of honour and courage and a great Canadian; and the country will never forget him.

Mr. DANIEL McIVOR (Fort William): Mr. Speaker, because I knew Mr. Woodsworth intimately since 1897, meeting him then at many athletic contests between rival colleges, and because we met together on many occasions and discussed ways and means for the betterment of the underprivileged, I invited him often to our church, at a time when such invitations were not always popular. He never betrayed a trust; he always acted like a Christian gentleman. While we were both in Ottawa he often called me in and we discussed things together. I shall not soon forget my visits to him in the hospital. As I was leaving the first time he said, "Your visit is refreshing; come back again, and do not leave without a word a prayer." I appreciated his words.

To me James Woodsworth was a practical Christian, because I believe the Christian programme is: feed the hungry, clothe the naked, visit the sick and go to those in prison. He practised those principles, and men are known by their conduct. He always struggled on behalf of the man who was underneath, and he did it without making anything out of it. I do not suppose he has left to his loved ones much of this world's goods; and believing that to be so, and having much in common with him, I would suggest to the government and to the Minister of Pensions and National Health (Mr. Mackenzie) that they consider seriously the provision of a pension for Mrs. Woodsworth.

I pay my tribute to him as a man of courage and conviction, one who was never afraid to champion the cause of the individual who was down.

Mr. RALPH MAYBANK (Winnipeg South Centre): Mr. Speaker, may I, as the only representative of the city of Winnipeg in the house at this moment, offer a short addition to the obituary references of those who have already spoken of J. S. Woodsworth.

His life for many years has been identified with my own city. Certain I am that I speak for all the people of that city in joining sincerely with others who have spoken to-day in

an expression of sympathy to the wife and family of this deceased member. From my acquaintance with, and experience of J. S. Woodsworth, I would say that the last thing he would ever desire would be any mournful thought about his departing or any sad references to it. Nor would he want me to speak of him any differently to-day from the way in which I customarily spoke of him when he was alive. I fancy that he went out happy to meet his Pilot face to face and secure in the belief that he was going to do so.

I knew J. S. Woodsworth longer than most members of parliament. There are only one or two in this house who have known him longer.

My first meeting with him was such that I have borne him in kindly remembrance ever since. Somewhere in the neighbourhood of 1909, when I was able to return to school studies after labouring at odd jobs for six or seven years, he was engaged in social service —and it was service—on behalf of the Methodist church. I went to him, a stranger, to get some information about a debate on immigration policies. I shall not soon forget the thoughtful kindness he exhibited in endeavouring to help me. Long after the event about which I had consulted him had gone by, he kept the problem in mind, and sent bits of information to me as these came to him from time to time. I consequently always remembered him as a man who was earnestly and guilelessly interested in other people.

It has already been well said here to-day, and I have heard it said thousands of times in Jim Woodsworth's lifetime, that while one might sharply disagree with him, sharply disagree with his opinions, even to the point of being angry with him for holding and expressing such opinions, one could not fail to respect the man himself, both because of his sincerity and because of his tenacity in holding to his views.

Well, sir, we know that the wolf that is in the middle of the pack will soon be forgotten; it is the one on the edge of the pack, or leading the pack that impresses itself on the mind. Woodsworth was never in the middle of the pack.

Of all his attributes, I believe the principal one was his carelessness. Woodsworth was careless to an extent that would impel the majority of people to call him foolish. What I mean is that he was careless of what happened to him. He was unmindful of himself. Wrong he may have been sometimes, but any wrongness was of the head; it was never of the heart. He was not engaged in trying to carve out of life something of material benefit for himself. In this respect Jim Woodsworth was egregious; he towered up out of the pack. Consequently I predict that he will not soon be forgotten. If there were more people in the world, more in Canada, yes, more in this parliament actuated by motives as free from desire for material gain as was Jim Woodsworth, the world and Canada, yes, and this parliament itself, would be better off; because the more individuals are actuated by motives completely untinged with selfishness, the more likelihood there is of their actions conducing to the real progress of mankind.

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Seldom have we heard a finer tribute paid to one of our colleagues. I had known Mr. Woodsworth fairly well. He was in this house when I came in over seventeen years ago and he had always been very kind to me, as he was to any other colleague. He commanded universal respect not only in the city of Winnipeg where he lived, but throughout the country. He was always well informed on the problems that he discussed, particularly social matters, and as a debater he had a voice that carried very well. I shall remember him as a born gentleman, a gentleman of the old school, and those who had conversations with him will never forget the kindly glance in his eye when they spoke with him. He will be remembered for his integrity, his sincerity, his indomitable courage; and we shall all remember him as a great patriot who was Canadian at heart.

I join with the other speakers in conveying my deepest sympathy to Mrs. Woodsworth, to his children and to our esteemed colleague, the member for Vancouver East (Mr. MacInnis).

Mr. M. J. COLDWELL (Rosetown-Biggar): On behalf of the group which Mr. Woodsworth so ably led in this house, I desire to express to all who have spoken our deep appreciation of the kindly references that have been made to his life and to his work. I would say too that we appreciate all that has been said about his splendid helpmeet, Mrs. Woodsworth, who to-day is bereaved. Those of us who have known them through the years know that always in the background, standing sympathetically behind her husband, was the figure of a brave and good woman. And so we appreciate the kindly references that have been made to her.

For ourselves, we feel that we have lost a revered leader, a wise counsellor and a true friend. But as has already been said, his work

will live and his influence will grow. I admired him for those sterling qualities which sprang from his pioneer background. He was a Canadian with roots deep in the soil of this country, and yet he was not narrow in any sense. A product of two of our Canadian universities, Manitoba and Toronto, and enjoying the additional advantage of having studied in the great university of Oxford, he brought to the problems of this country a very wide knowledge of social and economic conditions in many parts of the world.

His work for the new Canadians will not be forgotten. They were always very dear to him, and often in our conferences he would tell us what fine qualities the Ukrainians had, the Ruthenians, the Doukhobors; how he knew and understood them, and hoped that one day they might be integrated into the structure of Canadian fellowship. The great test for him personally came perhaps in the first great war, when he gave up what might have been a life of comparative ease because of his conviction that war was wrong; that the conscription of men against their will was quite wrong. And so he stepped out of the calling which he had chosen as his life's work. He went out to the Pacific coast where for a time he did the hard labour of a longshoreman to earn his daily bread and maintain his young family. Those of us who knew him know what a torture it must have been to that frail body—for frail he was—to undergo the toil of unloading heavy freight from the ships plying between the Pacific coast and the orient.

He became a member of parliament in 1921. He was a great teacher. As a teacher myself I have heard him speaking with groups of young people; that was the thing he liked best to do. Between sessions, if we visited him in his home in Winnipeg we would always find groups of young people gathered in his study talking things over with him. And if I may betray a secret, he had hoped that he might retire before the last election and devote the remaining years of his life to teaching young Canadians how to be of greater service to their country. But that was not permitted to him; and to-day we mourn his loss.

I know it is generally recognized throughout this house that he was sincere. Sincerity and courage in his convictions were at the very root and base of his character. As the Prime Minister has said, quite truly, at times he was scathing in his criticisms in this house of what he considered to be wrong, scathing sometimes in reference to people who occupied seats in this chamber; yet I have heard him on more than one occasion check those who in private conversation sought to belittle personally the present Prime Minister, the late leader of the opposition, and other hon. members of this house. He bore no personal animosity to anyone.

He had the characteristics of a prophet. I remember on one occasion I was on a platform with him and with Professor King Gordon, who had occupied the chair of Christian ethics at the Union theological college at McGill. We knew that some views that Mr. Woodsworth was expressing were unpopular with the audience. King Gordon leaned across to me and said, "There is only one person that I can remember of whom he reminds me, the ancient prophet Amos courageously denouncing the evils of the society of his day and generation." There was much of the scriptural prophet in J. S. Woodsworth.

His work will live. His influence will grow. The very name we bear, the Cooperative Commonwealth Federation, was a suggestion of J. S. Woodsworth. He hoped that he might be permitted to help lay the foundations of a new order in Canada in which men and women would cooperate for the common good; hence the name. And that I think he did. I am quite sure that none who were here when this house decided that Canada should enter the war will ever forget the tensity of the scene. If I may say so, he always appreciated the kindly reference of the Prime Minister when, during the debate on participation in the war, just before Mr. Woodsworth rose to speak, the right hon. gentleman prepared the difficult path for him by saying that no matter what the hon. member for Winnipeg North Centre might say or do, this house would understand that he did it in all sincerity. That speech was his last major effort in parliament.

His last two years of life were beclouded by war—war against which he had fought so hard, war which he hoped might never come again; and when it came it did in reality crush him.

I think those of us who knew him can find no better epitaph for him than the words of Alexander Pope:

> Statesman, yet friend to truth! of soul sincere,
> In action faithful, and in honour clear;
> Who broke no promise, served no private end,
> Who gained no title, and who lost no friend.

REPORT OF COMMITTEE

Third report of standing committee on agriculture and colonization.—Mr. Weir.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

VILLE LASALLE, QUE., TOOL PLANT

Mr. COTE:

1. Has the government decided to establish a plant for the manufacturing of tools at Ville Lasalle, Quebec?
2. If so, will tenders be called for (a) the building, (b) the equipment?
3. Under whose management will the said plant be operated?
4. When will the plant begin operations?
5. How many (a) skilled, (b) unskilled workmen will this plant employ?
6. Will refugees, internees or prisoners of war be employed?
7. If so, will they be thoroughly investigated before employment?
8. Will such employees be housed by the government?
9. On what basis will they be paid for their services?
10. Will any local labour be employed?

Mr. HOWE:

1. Yes.

2. (a) Factory building was rented from Ritchie Cut Stone Company for the duration of the war. Huts to accommodate workmen are being erected. Tenders for these huts were invited from five Montreal construction companies and the job was awarded to the lowest tenderer; (b) equipment (tool machinery) is largely being secured from the Citadel Merchandising Company, a wholly owned government company.

3. A wholly owned government company was incorporated (Machinery Service Limited).

4. About March 25.

5. (a) 100 skilled workmen; (b) no unskilled workmen.

6. Refugees only—conditionally released for this special employment.

7. All have been investigated and no man will be employed whose conditional release for this purpose has not been approved by the Canadian authorities after consultation with the home office of the united kingdom.

8. No. They will pay their own expenses for board and lodging.

9. According to their skill and at the rate prevailing in the Montreal area.

10. Any local labour with the required skill can be employed, but any such local labour is already employed.

[Mr. Coldwell.]

*INCOME AND NATIONAL DEFENCE TAX

Mr. MacINNIS:

1. How many persons in the calendar year 1940 paid income tax on, (a) incomes of more than $750 but less than $1,000; (b) incomes of more than $1,000 but less than $1,500; (c) incomes of more than $1,500 but less than $2,500; (d) incomes of more than $2,500 but less than $4,000; (e) incomes of more than $4,000 but less than $6,000; (f) incomes of more than $6,000 but less than $10,000; (g) incomes of more than $10,000 but less than $15,000; (h) incomes of more than $15,000 but less than $25,000; (i) incomes of more than $25,000 but less than $35,000; (j) incomes of more than $35,000 but less than $50,000; (k) incomes of more than $50,000, but less than $75,000; (l) incomes of more than $75,000 but less than $100,000; (m) incomes of more than $100,000 but less than $200,000; (n) incomes of more than $200,000?

2. What was the aggregate amount of the income tax paid by each of the above income groups?

3. How many persons in receipt of incomes of less than $1,000 paid a national defence tax in the calendar year 1940?

4. What was the aggregate amount of the national defence tax collected from the above income group?

Mr. GIBSON: An answer to this question has been prepared which I understand is satisfactory to the hon. member for Vancouver East (Mr. MacInnis). The information is not available in the form asked, but the question is answered in accordance with the statistics available, that is the number of individual taxpayers, and amount of tax assessed during the fiscal year 1940-41.

1.	Individual taxpayers
Up to $ 2,000	127,954
$ 2,000 to 3,000	72,502
3,000 to 4,000	43,021
4,000 to 5,000	19,581
5,000 to 6,000	10,346
6,000 to 7,000	6,524
7,000 to 8,000	4,435
8,000 to 9,000	2,830
9,000 to 10,000	2,235
10,000 to 15,000	5,737
15,000 to 20,000	2,268
20,000 to 25,000	977
25,000 to 30,000	601
30,000 to 35,000	361
35,000 to 40,000	257
40,000 to 45,000	183
45,000 to 50,000	99
50,000 and over	473

2.

	Amount of tax assessed
Up to $ 2,000	$ 1,535,022 36
$ 2,000 to 3,000	1,607,801 09
3,000 to 4,000	1,869,201 14
4,000 to 5,000	1,694,815 13
5,000 to 6,000	1,575,632 17
6,000 to 7,000	1,485,098 06
7,000 to 8,000	1,431,846 72
8,000 to 9,000	1,202,703 80
9,000 to 10,000	1,231,382 82
10,000 to 15,000	5,311,105 27
15,000 to 20,000	4,482,118 69
20,000 to 25,000	3,228,645 33
25,000 to 30,000	2,930,552 08
30,000 to 35,000	2,275,344 72
35,000 to 40,000	2,104,467 19
40,000 to 45,000	1,846,860 14
45,000 to 50,000	1,224,751 82
50,000 and over	15,341,483 95
Unclassified	234 00

3. Not available.

4. Not available.

GANDER, NEWFOUNDLAND, CONSTRUCTION CONTRACT

Mr. BLACK (Cumberland):

1. Has the Atlas Construction Co. Limited a contract for construction work at Gander, Newfoundland?

2. If so, is it required to pay the Canadian rate of wages as approved by the Department of Labour?

3. Are the workmen required to pay the following Canadian taxes, (a) national defence tax, (b) income tax, (c) unemployment insurance tax?

4. Are the workmen protected against injury and do they receive compensation for injury?

5. What is the percentage or rate of compensation payable to such workmen when laid off work due to injury received in the course of their employment?

6. Does the government or any department thereof assist injured workmen by seeing that they are paid workmen's compensation as required in Canada?

Mr. HOWE:

1. Yes—there is a contract between Atlas Construction Company Limited and His Majesty the King in the right of Canada. The contract is on a cost-plus fee basis.

2. Yes—Form M. & S. 154 "Labour Conditions," approved by the Department of Labour, forms part of the contract.

3. All employees of the contractor who are residents of Canada are subject to (a) National defence tax; (b Income tax; (c) Unemployment insurance tax. Employees who are residents of Newfoundland are not subject to Canadian taxes.

4. All workmen employed on the work are protected against injury and receive compensation based on the compensation laws as laid down by the crown colony of Newfoundland.

5. Until recently, for total or partial disability, an employee was paid half his regular wage rate subject to a maximum of $10 per week. Employees under twenty years of age received 100 per cent of the wage rate subject to a $10 per week maximum. The insurance company protecting the Atlas Construction Company have recently been informed that the Act under the common law of Newfoundland states that the rate of payment for total or partial disability is 50 per cent of the weekly wage rate with no maximum. The company is therefore reviewing all past payments and is making adjustments accordingly.

In case of permanent disability, the employee has the right to accept compensation or to bring suit under the common law of Newfoundland.

6. Up to date there has been no necessity for intervention on the part of the government, as far as we are aware, to assist injured workmen in the collection of compensation.

RADIO BROADCASTING—MADAME PIERRE F. CASGRAIN

Mr. ROY:

1. Does Madame Pierre F. Casgrain broadcast over the C.B.C. for the war services of the Department of Finance?

2. If so, what sums has she been paid for such services since the 1st of January, 1941, to date?

Mr. ILSLEY:

1. Madame Pierre F. Casgrain has broadcast once on behalf of the wartime prices and trade board.

2. Nil.

POLLACK AND DORFMAN CONTRACTS

Mr. ROY:

1. Has the government awarded contracts for clothing and equipment for the troops, to Pollack and Dorfman, since February the 12th, 1941, to date?

2. If so, (a) how many of such contracts; (b) on what date and for what amount in each case; (c) what is the total amount of such contracts, (d) is the cost of the cloth included in the contracts and if not, who supplied the cloth and for what amount?

Mr. HOWE:

1. Yes.

2. (a) 11. (b) February 12, 1941, $300,000.00; April 4, 1941, $45,910.00; July 25, 1941, $399,411.00; July 31, 1941, $32,720.00; July 31, 1941, $173,600.00; August 30, 1941, $673,500.00; September 2, 1941, $410,000.00; September 22, 1941,

$173,600.00; October 16, 1941, $492,279.45; October 22, 1941, $308,658.35; November 8, 1941, $800,029.99. (c) $3,809,708.79. (d) Yes.

Mr. ROY:

1. Have Maurice Pollack or Pollack and Dorfman, of Quebec, obtained the consent of the government or of a commission acting on its behalf, to construct a building in the city of Quebec?

2. If so, (a) from what commission; (b) for what amount?

3. Is there any understanding with the government or any commission representing the government, regarding the rental of the building, or any part of it for federal purposes?

4. If so, what rental is agreed upon, monthly or yearly?

Mr. McLARTY:

1. Yes. A licence was issued to Maurice Pollack Realty Company Limited on February 16, 1942, for the construction of a 4-story and basement fireproof building at 93 St. Joseph Street, Quebec.

2. (a) Controller of construction, Department of Munitions and Supply.

(b) $169,590.00.

3. To provide additional space for the income tax division of the Department of National Revenue, authority was granted by an order in council dated February 19, 1942, P.C. 1276, to lease the two upper floors, having an area of 14,450 sq. ft., of a 3-story reinforced concrete building to be erected by the Maurice Pollack Realty Company, Limited, on Charest boulevard, near Dupont street, Quebec City.

4. $14,450.00 per annum.

SYNDICATE BUILDING, QUEBEC CITY

Mr. ROY:

1. Has the Syndicate of Quebec requested permission to complete certain works, or asked for alterations to its building in the city of Quebec?

2. If so, has this request been granted or refused?

Mr. HOWE:

1 and 2. A licence was issued to Le Syndicat de Quebec Inc. on July 17, 1941, for the construction of a reinforced concrete warehouse, delivery and receiving room, 4 floors, on land 43′ x 55′, plus cellar or basement for furnace; concrete tunnel across street to main store; at an estimated total cost of $35,000.00.

We have since been advised that the above project was completed the latter part of 1941 and have had no other applications for alterations or additions from this company.

[Mr Howe.]

*WARTIME HOUSING—HULL, QUE.

Mr. NICHOLSON:

Will the Minister of Munitions and Supply arrange for members of parliament interested in Wartime Housing to visit houses built by Wartime Housing in Hull before the Easter recess?

Mr. HOWE: Perhaps I can answer this verbally. The answer, of course, is yes; and may I say that any member of the House of Commons who wishes to visit any work under the control of the Department of Munitions and Supply, whether it be a munitions plant, a housing project, or anything else, need only apply at my office for the necessary documents, which we shall be glad to provide.

FOREIGN EXCHANGE—VEGETABLES AND FRUITS

Mr. NICHOLSON:

How much foreign exchange was used by Canada during each of the months of November, December, 1941, January and February, 1942, for the purchase of, (a) vegetables, and (b) fruits?

Mr. ILSLEY: Without a great deal of work and expense, answers to these questions cannot be obtained from the records of the foreign exchange control board, and even then the answers would not be completely accurate. The board has believed it would not be justifiable to maintain and analyse its records in such a way as to provide data of the character asked for as this would involve duplication of the work of the dominion Bureau of Statistics to an extravagant degree.

The Minister of Trade and Commerce stated in the House of Commons on April 7, 1941, that "it has been decided as a matter of policy that the bureau of statistics will give no detailed information as to the countries of origin of imports for the duration of the war. It is felt that this information might be of value to the enemy in acquainting them with the sources of supply of certain materials. This decision is wholly in accord with the present practice of the United Kingdom."

ANTIMONY—RESHIPMENT TO ENEMY COUNTRIES

Mr. CASTLEDEN:

What steps have been taken to prevent the Canadian export of antimony to neutral countries from being reshipped to the axis powers?

Mr. MacKINNON (Edmonton West): Before a permit is granted by the export permit branch of the Department of Trade and Commerce for the export of antimony or other strategic materials to neutral countries, a thorough investigation is undertaken as to the availability of the supply and the essentiality of the need. The government of the United

Kingdom are also consulted through the Department of External Affairs. No permit will be granted for the export of antimony to a neutral country if there is any possibility of the product being re-exported to a country with which Canada is at war or to a territory under enemy occupation or control. Any shipment from a neutral country to a country with which Canada is at war or to a territory under enemy occupation or control or to another neutral country adjacent to such territories would only be permitted to pass through the naval blockade when covered by a navicert issued by the United Kingdom authorities.

MOUNTED POLICE—SPECIAL CONSTABLES

Mr. COLDWELL:

1. How many special constables have been engaged by the Royal Canadian Mounted Police for the duration of the war?
2. What is the daily rate of pay?
3. To what issues of clothing, etc., are they entitled?
4. Is any provision made for superannuation?
5. Are any of these men married?
6. Are there any special family allowances?

Mr. ST. LAURENT:

1. 1,495.

2.

Supervisors (married)—	Per diem
Pay	$2 00
Allowances	1 60
Total	$3 60
Guards (married)—	
Pay	$1 60
Allowances	1 60
Total	$3 20
Guards (unmarried)—	
Pay	$1 60
Allowances	1 00
Total	$2 60

3. On loan: Boots, ankle, pairs, 1; helmets, cloth, 1; berets, 1; armbands, 1; whistles, 1; identification cards, 1; great coat or mackinaw coat, 1; lamb-lined vest or cardigan, 1; mitts, skin, prs., 1; mitts, wool, prs., 1; overshoes, prs., 1; slickers, 1; batons, wood, 1; shirts, khaki drill, 2; trousers, khaki drill, 1; sou'westers, 1.

4. No, but should any man be injured in the performance of duty, a compensation scale is available.

5. Yes. All married with few exceptions.

6. No special family allowance except those given in answer No. 2.

MOUNTED POLICE—CONSTABLES

Mr. COLDWELL:

1. What is the rate of pay per day for regular R.C.M.P. constables?
2. To what issues of clothing, etc., are they entitled?
3. Is any provision made for superannuation?
4. Are any of these men married?
5. Are there any special family allowances?

Mr. ST. LAURENT:

1. Sub-constables (under 21 years of age), $1.25 per diem. Constables, 3rd class (21 years and over), $2 per diem.

2. Braces, prs., 1; brushes, tooth, 2; drawers, prs., 2; gloves, B.L., prs., 1; shirts, over, khaki, 2; shirts, under, 2; socks, prs., 4; ties, 2; towels, hand, 2; towels, bath, 1; and certain other articles on "loan" only.

3. Yes.

4. Yes (on attaining maximum rate of pay upon completion of seven years' service).

5. Yes. Married constables receive $1.60 per diem general living allowance in lieu of quarters, rations, fuel and light. Single men, none, unless on detached duty.

FISHERIES PATROL

Mr. HANSON (Skeena):

1. What was the cost of the fisheries patrol in 1941, (a) Atlantic coast, (b) Pacific coast, (c) inland?
2. What was the total cost of this patrol in the said year?
3. How many boats were employed on the fisheries patrol in 1941, (a) Atlantic coast, (b) Pacific coast, (c) inland?

Mr. MICHAUD: The following information is for fiscal year 1940-41:

1. (a) Atlantic coast, $65,165.24; (b) Pacific coast, $157,171.44; (c) No information as federal government does not administer fisheries in inland provinces.

2. $222,336.68.

3. (a) 23; (b) 96; (c) Answered by No. 1 (c).

CLARK RUSE AIRCRAFT COMPANY, LIMITED

Mr. ROSS (Souris):

1. Is the Clark Ruse Aircraft Company, Limited, a wholly owned federal concern?
2. Is Mr. Winthrop Bell employed by that company and what remuneration does he receive?
3. What financial advances has the federal government made towards this company?

Mr. HOWE:

1. No. Clark Ruse Aircraft, Limited, is a privately owned company operating a government-owned plant.

2. (a) Yes, as secretary-treasurer; (b) No information.

3. The government has made no financial advances to Clark Ruse Aircraft, Limited. The government has made payments of $534,268.77 on account of production as of February 28, 1942.

*RADIO BROADCASTING—MADAME P. F. CASGRAIN

Mr. ROY:

1. Has Madame P. F. Casgrain broadcast any talks over the C.B.C. network on behalf of the Department of Munitions and Supply?

2. If so, what remuneration has the government paid to her for such services since January 1, 1941, to date?

Mr. HOWE: The answer is no.

PRISONERS OF WAR

Mr. CHURCH:

1. Is the government satisfied that the duty of searching hospitals and prison camps for Canadian internees in enemy and enemy-occupied countries is being carried out efficiently, and have the next of kin of all officers and men been informed of the fate of their relatives, as far as possible?

2. Are these searches being carried out by government agencies, or are they only undertaken by private organizations, and what are they?

3. What status has the Red Cross in enemy countries, and where and how do they function from in Germany, Italy and Japan?

Mr. MACKENZIE KING: (As the situation with regard to information about Canadian prisoners of war and internees is most easily dealt with by separating the European and far eastern theatres of war, the answers are being given in two groups, the first referring to Germany and Italy including occupied territories and the second referring to Japan and Japanese occupied territories.)

Germany and Italy, including Occupied Territories:

1. Information regarding Canadian prisoners of war and civilian internees is not obtained, strictly speaking, through the "searching" of hospitals and internment camps. According to the provisions of the Geneva Convention relating to the treatment of prisoners of war (1929), which is adhered to by the belligerents on both sides, belligerents are required to notify each other as soon as possible of all internees or prisoners through the intermediary of an information bureau set up by each detaining power for this purpose (article 8). The information bureau transmits all such information immediately to the powers concerned through the protecting power and through a special central agency set up by the International Red Cross committee at Geneva (article 77). As far as combatant prisoners of war are concerned, these provisions are observed by both sides, and lists of Canadian prisoners are telegraphed to both Ottawa and London as soon as this information is received at Geneva. The Department of National Defence notifies the next of kin after the information has been checked.

Information obtained in this way is supplemented by the representatives of the protecting power who are allowed to visit all internment camps housing Canadians, whether combatants or civilian internees, and lists furnished by the protecting power have so far been the chief source of information regarding civilians. The Geneva Convention has, however, been extended reciprocally to cover civilians as well as combatants, and official lists of civilian internees are now being provided.

2. See answer to question No. 1.

3. National Red Cross organizations as a rule deal exclusively with problems arising out of the care of their own nationals. This is understood to be the case in Germany and Italy. Activities connected with the whereabouts or welfare of Canadian prisoners of war and internees in these countries are handled by the International Red Cross and its official delegates, who are also authorized to visit any camp.

Japan and Japanese-Occupied Territories:

1. Although Japan has not formally ratified the Geneva Convention, the Japanese government have stated that prisoners of war and internees will be treated in accordance with its provisions. A list of Canadian civilians interned in Japan has already been supplied both to the Argentine embassy at Tokyo and to the International Red Cross. Further lists of combatant prisoners are awaited.

2. See answers to questions No. 1 and No. 3.

3. With regard to the Japanese Red Cross, the situation is different from that in the other belligerent countries, in that it is understood that the Japanese Red Cross intends to take charge of some of the functions such as the distribution of parcels and comforts, which elsewhere are normally in the hands of the delegates of the International Red Cross.

SALVAGE—SCRAP METAL

Mr. FRASER (Peterborough West):

Is all the scrap metal collected under the national salvage campaign used for war purposes or is some resold for private industrial use?

Mr. THORSON: Steel, iron, aluminum and high-grade copper are definitely designated to war and other essential industries by the steel controller and the metals controller of

the Department of Munitions and Supply. Low-grade non-ferrous metals are utilized in accordance with the regular channels of trade.

WOMEN FARM WORKERS

Mr. FRASER (Peterborough West):

1. Is a wage rate set for women farm workers?

2. If so, are the rates fixed for the different classes of agricultural workers?

Mr. MITCHELL: 1 and 2. No. The legislative authority rests with the provinces. In respect to the "farm service force plan" carried on in Ontario last year the expense of which was participated in by the dominion, the minimum wages were set at a growers' meeting prior to placements.

H. F. ANGUS

Mr. CRUICKSHANK:

1. Has Mr. H. F. Angus ever served on a committee in connection with the Japanese situation?

2. If so, what remuneration did he receive?

3. On whose recommendation was he appointed?

4. Is this man presently employed by the dominion government?

5. If so, in what position, at what salary and what are his qualifications?

Mr. MACKENZIE KING:

1. Yes. He was appointed as a member of the standing committee on orientals in British Columbia by the order in council P.C. 117, dated January 7, 1941, which created the committee. Owing to absence from British Columbia Mr. Angus was not active on this committee after July 1, 1941.

2. None.

3. Secretary of State for External Affairs.

4. Yes.

5. (a) Special assistant to the under-secretary of state for external affairs and liaison officer of the Department of External Affairs with the Canada-United States joint economic committees.

(b) $6,600.

(c) As head of the department of economics, political science and sociology at the University of British Columbia, Mr. Angus is a distinguished member of his profession in Canada. He served in the imperial forces in the war of 1914-18. In addition to other professional activities, Mr. Angus was a member of the Royal Commission on Dominion-Provincial Relations, and has written or edited a number of books dealing particularly with Canadian-American relations.

AIR RAID PRECAUTION WORKERS

Mr. FRASER (Peterborough West):

1. Are air raid precaution workers and wardens entitled to pension for injuries received in trial black-outs or actual black-outs?

2. If so, under what conditions?

3. If not, are there any circumstances under which such persons are entitled to pension?

Mr. MACKENZIE (Vancouver Centre):

1. Yes.

2. Under the conditions set forth in order in council P.C. 7147, dated May 10, 1941.

3. Answered by No. 2.

NATIONAL FILM BOARD—MRS. MARGARET GRIERSON

Mr. McGREGOR:

1. Has Mrs. Margaret Grierson, at any time, been employed by the national film board?

2. Is she now so employed?

3. If so, in what capacity is she employed?

4. On what date was she first employed and under what authority?

5. If not now employed by the national film board between what dates was she employed, if at all?

6. If employed at any time by the national film board what duties has she performed and what has been paid to her in salary, fees, allowances or any other form of remuneration for services?

7. If not employed by the national film board, what is the nature of the work she is and has been performing in the studios and/or laboratory of the national film board, what is her official status in relation to those regularly employed on the staff of the national film board and what authority, if any, has she to give orders to or supervise the work of employees of the national film board?

8. If she was not carrying on the work she is doing in studios and/or laboratory of the national film board would it be necessary to employ someone else to perform this work?

9. How long has she been a resident of Canada?

10. Is she the wife of John Grierson, government film commissioner?

11. What is the total amount that has been paid to John Grierson in salary, fees and/or allowances as government film commissioner?

12. What is the total amount of money that has been paid to John Grierson since he has been employed by the government in any capacity whatsoever, including travelling expenses?

Mr. THORSON: This question is answered in respect of paragraphs 1 to 10. Paragraphs 11 and 12 stand.

1. No.

2. No.

3. See answers to Nos. 1 and 2.

4. See answers to Nos. 1 and 2.

5. See answers to Nos. 1 and 2.

6. As she was not employed, no question of salary, fees, allowances or any form of remuneration for services is involved.

7. (a) Mrs. Margaret Grierson, as a gratuitous war service, has been a voluntary instructor of new personnel in technical aspects of film production in which she, in the past, was professionally engaged.

(b) and (c) Her status is entirely one of instruction of personnel in technical matters; no question of authority is involved.

8. Yes; if available.

9. Since October, 1939.

10. Yes.

PLEBISCITE—RECOMMENDATIONS OF DEFEATED CANDIDATES

Mr. HANSELL:

Has the Secretary of State or the chief plebiscite officer informed those defeated candidates in the last general election who received the next largest number of votes to the elected representative, to the effect that they have the right to recommend workers for the forthcoming plebiscite, or are those candidates dependent upon press despatches for their information in this respect?

Mr. McLARTY: It is provided by sections 126, 134 and 141 of the plebiscite instructions that the returning officer shall give notice in due course to candidates entitled to nominate enumerators and deputy returning officers.

Each returning officer is notified by these instructions and will doubtless arrange for the appointment of enumerators and deputy returning officers on the basis already stated to the house.

QUESTIONS PASSED AS ORDERS FOR RETURNS

WARTIME PRICES AND TRADE BOARD—QUEBEC CLOTHING ADMINISTRATOR

Mr. PARENT (Quebec West and South):

1. Has a representative of the wartime prices and trade board been appointed for Quebec, to control the manufacture and sale of clothing for men and women?

2. If so, (a) who has been appointed, (b) what is the nationality of the person appointed, (c) is this person bilingual, (d) what is his place of origin, (e) how long has he lived in Quebec?

3. Was an examination advertised in connection with this position?

4. If so, when, and where was the examination held?

INTERNMENTS—JAMES FRANCESCHINI

Mr. DIEFENBAKER:

1. When was James Franceschini released from internment?

2. During the period of internment who had control of his property and assets?

3. Was he at the time of his internment interested as shareholder, officer, or otherwise in any companies? If so, what companies?

4. During the period of his internment, (a) did any of the said companies or any partnership of which he was a member have contracts with the government; (b) were any projects proceeded with or undertaken by the government while controlling or operating any of the said companies; (c) if so, give particulars of the location and of the amounts of each of the said contracts or projects?

5. Were any proceeds or profits from any such contracts or projects held to the credit of any of the said companies or to himself paid to him or to anyone on his behalf, or to any of the said companies while he was interned or after his release; if so, give particulars of the amounts paid and to whom? What further amounts, if any, are held in trust or in deposit for any of the said companies or him?

6. Did the government purchase any of the said companies or other assets; or the interests therein of the said James Franceschini since the outbreak of war to the date hereof? If so, give particulars together with the amount paid therefor?

NATIONAL HOUSING ADMINISTRATION

Mr. NICHOLSON:

1. How many single housing units were built under the supervision of national housing administration during the period September, 1939, to December, 1941?

2. What was the average cost per house?

3. How much money did the government invest in these houses?

4. How many low-priced houses have been built by national housing administration?

5. What was the average cost of these houses?

6. What type of construction is used in building these low-priced houses?

7. How many permanent houses have been built by national housing administration, and what was the average cost of each house, in each of the following places, (a) Fort William, (b) Halifax, (c) Hamilton, (d) Welland, (e) Peterborough, (f) Hull, (g) Ottawa, (h) North Vancouver, (i) Esquimalt, (j) Prince Rupert, (k) Dundas, (l) Fort Erie, (m) Oshawa, (n) Woodstock?

8. What was the total cost of administration of national housing administration for the period March 31, 1941, to January 31, 1942?

PRAIRIE FARM REHABILITATION—MONTROSE, SASK., COMMUNITY PASTURE

Mr. COLDWELL:

1. Did the Prairie Farm Rehabilitation Act erect a community pasture in rural municipality of Montrose, No. 315, Saskatchewan, in 1937? If so, what was the total cost at that date?

2. Was an extension of the said pasture authorized in 1938?

3. Were tenders called for barbed wire, hardware, etc., for said pasture in 1938? If so, what persons or companies were invited to submit tenders?

4. From whom were tenders received and what was the amount of each tender?

5. To whom was the contract or contracts let?

6. Did the Department of Agriculture or Prairie Farm Rehabilitation Act receive a petition against the extension of the pasture in 1938?

7. What action did the department take as a result of this petition?

8. Did Mr. O. Freer, superintendent, land utilization branch, Prairie Farm Rehabilitation Act, Regina, authorize any employee of the

department to try to persuade residents of rural municipality of Montrose, No. 315, who had petitioned against the pasture, to sign a counter petition in its favour?

9. If so, who was the employee; what time was occupied in this work; what were the salary and expenses during this period?

10. What amount of money in salary, mileage and other expenses was paid to Mr. T. Waters, employee of the Prairie Farm Rehabilitation Act branch, while working in rural municipality, Montrose, No. 315, in 1938?

11. Is the department or Prairie Farm Rehabilitation Act branch at Regina considering the extension of the community pasture in rural municipality, Montrose, No. 315, again this year?

12. If so, at whose request or upon whose recommendation?

CANADIAN ARMY—FIRE MARSHAL

Mr. BRUCE:

1. Has the position of fire marshal of the Canadian army been newly created?

2. Has anyone been appointed to such position?

3. If so, (a) whom, (b) at what salary?

4. Does the appointee assume also the position of assistant Q.M.G.?

5. Does he carry a rank in the Canadian army?

6. If so, what rank?

7. Has the appointee previously held rank in the Canadian army?

8. If so, (a) what rank, (b) for what period, (c) in what unit?

9. What is the age of the appointee?

10. If previously holding a rank in the army, in what category was he?

11. If not holding rank in the army, has he presented himself for service and been turned down because of being medically unfit?

12. What experience has this officer had, (a) in fire prevention methods; (b) the newest fire-fighting technique; (c) executive work in relation to the new department?

13. Were the fire services of the large centres in Canada consulted before this appointment was made?

14. If so, (a) were they permitted to make recommendations; (b) was this appointment made on the recommendation of a chief of department of any fire service in any of the large centres?

15. Will this appointee have full authority, (a) to purchase new equipment; (b) to make appointments to the staff?

CANADIAN ARMY (RESERVE)—RESIGNING OF COMMISSIONS

Mr. WHITE:

1. How many officers in reserve force units have resigned their commissions since the outbreak of the present war?

2. How many officers were under the age of 35 years at the date they resigned their commissions?

3. How many officers were in category "A", in category "B" at the date they resigned their commissions?

4. On what grounds may an officer resign his commission during war time?

CANADIAN ARMY (RESERVE)—TRAINING, PAY AND TOTAL EXPENDITURE, 1940-41

Mr. WHITE:

1. What reserve force units take training at their local headquarters, (a) infantry units, (b) artillery units, (c) machine gun units, (d) other units?

2. (a) How many (1) officers, (2) other ranks are there on the administrative and training staffs of reserve force units; (b) what is the date of such return of strength?

3. What is the total amount of pay and allowances paid to (a) officers, (b) other ranks of the administrative and training staffs of reserve force units in each of the years 1940 and 1941?

4. What is the total amount of all moneys (including pay and allowances of administrative and training staffs) expended on reserve force units during each of the years 1940 and 1941?

SHIPMENT OF GOODS TO BRITAIN

Mr. HANSELL:

1. What is the total value of goods shipped to Britain since the outbreak of war?

2. How much of this was charged to the account of the British purchasing board?

3. What were the ten major commodities and what is the total value of each?

4. What payments have been received to date?

5. What is the total amount of Canadian securities returned or repatriated in payment of this debt, and what are the types and amounts of each class of securities? How much of this obligation has been paid in gold?

6. Has there been a cancellation of any of this debt incurred since the war, (a) if so, how much of the debt has been cancelled, how much has been assumed by the Canadian government, and what rate of interest is being paid; (b) if not, has the government considered cancelling all or part of this debt in order to assist the war effort?

JAPANESE NATIONALS—POSTMASTERSHIPS

Mr. CRUICKSHANK:

1. Have any Japanese acted as postmasters in British Columbia since December 7, 1941?

2. If so, have they been removed from such office, and on what dates?

3. Have any Japanese been employed as operators on Government telegraph lines since December 7, 1941? If so, have they been dismissed, and on what dates?

ONTARIO ARMOURIES

Mr. WHITE:

1. What use is being made of the armouries at Norwood, Madoc, Trenton, Belleville and Picton?

2. What was the total cost of maintenance of each of these armouries during each of the years 1940 and 1941?

3. Are these five armouries being used full time? If not, why?

Mr. CASSELMAN:

1. What use is being made of the armouries at Merrickville and Kemptville in Grenville-Dundas?

2. What was the total cost of maintenance of each of these armouries during each of the years 1940 and 1941?

3. Will these armouries be put to full use in war work?

COORDINATION OF FOODS ADMINISTRATION

Mr. TUSTIN:

1. What salary is paid to Hon. J. G. Taggart as coordinator of foods administration on the wartime prices and trade board?

2. Is he paid any living allowance, either during his residence in Ottawa or his absence therefrom?

3. What is the total of travelling expenses which have been paid to him while occupying this position?

4. Does Mr. Taggart still occupy the position of chairman of the bacon board?

5. If so, what salary and/or living allowance is paid to him in respect of such position?

6. What is the total of the living and travelling expenses which have been paid to him as chairman of the bacon board?

7. Does Mr. Taggart still occupy the position of Minister of Agriculture for the province of Saskatchewan?

8. If so, is he in receipt of any salary in respect of such position?

9. Is Mr. Taggart still a member of the legislature of Saskatchewan?

10. If so, is he in receipt of any indemnity or emolument therefrom?

NATIONAL FILM BOARD—EMPLOYMENT OF MALE PERSONS BETWEEN 18 AND 45

Mr. McGREGOR:

1. How many male persons between the ages of 18 and 45, including those employed on a temporary basis under the provisions of the National Film Act, have been employed by the national film board since June 28, 1941, who are (a) British citizens of Canadian birth; (b) British citizens domiciled in Canada prior to September 7, 1939, (c) British citizens not domiciled in Canada prior to September 7, 1939; (d) citizens of foreign countries not at war with Canada and (e) citizens of foreign countries with which Canada is at war?

2. What is the name, age and citizenship of each such person and, if not born in Canada, how long had he resided in Canada prior to the date he was first employed by the national film board?

3. Under what authority was each such person employed and by whom and on what grounds was he certified as eligible for employment under the provisions of order in council 4759 of June 27, 1941?

4. Between what dates has each such person been employed?

[Mr. White.]

5. In what capacity was each person employed and what were the duties performed by each such person during his term of employment to date?

6. What is the total amount that has been paid to each such person, (a) in salary, fees and/or allowances; (b) living expenses or subsistence allowances while in Ottawa and (c) travelling expenses?

GOVERNMENT PAYMENTS TO RAILWAYS FOR SERVICES

Mr. COLDWELL:

What did the government pay the Canadian National Railways and the Canadian Pacific Railway respectively, for (a) transportation, (b) express, (c) freight, (d) telegrams, (e) any other services, in each of the four quarterly periods during the year 1941?

Mr. ILSLEY: To give the information sought in regard to transportation would entail an immense amount of work in examining the travelling claims. In the great majority of travelling claims no reference is made to which of the railways has been used. Subject to this qualification the question should be passed as an order for return.

MOTIONS FOR PAPERS

CERTIFIED SEED POTATOES

Mr. HATFIELD:

For a copy of all correspondence exchanged between the federal Department of Agriculture and the district representative, C. H. Godwin, Fredericton, New Brunswick, regarding the shipment and the issuing of certificates for Canadian certified seed potatoes during the year 1941.

Mr. GARDINER: I raised an objection previously to this motion, on the ground that this correspondence is between officials in the department. There is nothing in the file that I have any objection to showing the hon. member. I wonder if the house would permit this motion to be dropped, and at any time the hon. member can come and see what is in the file.

Mr. HANSON (York-Sunbury): If there is nothing in the file that would be prejudicial to the public interest, why not pass this motion on the understanding that it would not be regarded as a precedent?

Mr. GARDINER: I will make the file available to the hon. member at any time, but we prefer not to have a precedent set.

Motion dropped.

COMMODITY PRICES STABILIZATION CORPORATION

Mr. CHURCH:

For a return showing—1. A list of the price ceiling subsidies issued, the estimated amount of same and on what articles, or in what trade and commerce.

2. A list of the members of the Commodity Prices Stabilization Corporation, a list of their chief officers, servants and agents, showing where they are located, the number thereof, together with their salaries and other allowances.

3. Estimated cost of one year of maintaining the ceiling prices staff herein, and the aggregate number of officials and total payroll.

4. The estimated cost per annum of the operation of this corporation.

5. The walks of business life that are not yet supervised or directed by any departments of state.

6. What training the members of this corporation and their chief officials have had in actual trade or commerce, or in a competitive business.

7. What minister of the crown is responsible to parliament for the work of this corporation.

Mr. ILSLEY: There is no objection to this motion passing with certain qualifications. It will not be possible to give some of the information asked for, such as certain estimates which are not questions of fact and which it would be impossible, I think, to make at this stage. Similarly, there is a question asked as to what training the members of the corporation have had. I do not think it would be possible to answer that definitely in response to a motion. I do not think the amounts of subsidies to individual firms should be disclosed, but I think the house should have information regarding the amounts of the subsidies to industries, the amounts of certain classes of subsidies.

Mr. HANSON (York-Sunbury): On commodities.

Mr. ILSLEY: On commodities. With these qualifications, I shall be glad to agree to the passing of this motion.

Mr. HANSON (York-Sunbury): The hon. member is not here, and I do not know his views. I can understand that the question with reference to estimates might be difficult to answer; yet an estimate must have been made for the first year, having regard to the expenditures that have been made. I can see no reason why the government should not make a statement in connection with the training of each man, because it is a matter which must have been considered. On the other point, as to what firms or individuals received money, probably the minister is right, but we ought to know exactly how much subsidy is being given in respect of each commodity. Perhaps the motion might stand until the hon. member is here.

Mr. MacINNIS: The Minister of Finance has said that while there is no objection to stating the total amount of the subsidies, there would be objection to stating the amount of subsidy paid to any individual firm or corporation.

Mr. ILSLEY: That is right.

Mr. MacINNIS: I do not know whether we should allow that to pass without protest. If this is a government subsidy, surely parliament is entitled to know the amount of the subsidy and who received it. Otherwise parliament has no control over the matter at all.

Mr. HANSON (York-Sunbury): They have not any now.

Mr. MacINNIS: I think this matter should be carefully scrutinized.

Mr. SPEAKER: In the meantime the motion will stand.

Mr. HANSON (York-Sunbury): I ask the minister to reconsider this. I went a little the other way, but I agree with the hon. member for Vancouver East that we ought to know who got this money. I ask the minister to think it over.

Mr. ILSLEY: I shall give it consideration, but I will be prepared to argue the matter. There are considerations that have not occurred to hon. gentlemen.

Motion stands.

ATLANTIC COAST DEFENCE

Mr. POULIOT:

For a copy of all letters, telegrams, reports, memoranda and all other documents addressed by Lt.-Col. Alan Cockeram, D.S.O., to the Minister of National Defence or anyone in the National Defence department, concerning the defence of the city of Halifax and of the Atlantic coast, from the beginning of the war.

Mr. RALSTON: I have received a note to the effect that there is no record in the files of the department of any such correspondence having been received at national defence headquarters, and that includes the office of the minister. It may be possible that there were some communications of this sort to the district. Therefore, I am prepared to let the motion pass in case there might be some correspondence of that kind with the district. I want this to be subject to the necessary reservation as to the non-production of any document which it would be against the interests of public security to disclose.

Mr. HANSON (York-Sunbury): If there were any such correspondence, it would not be in the public interest to disclose it.

Mr. POULIOT: What does the hon. gentleman know about it?

Mr. HANSON (York-Sunbury): I do not know anything about it, but I think I know as much as the hon. gentleman.

MOBILIZATION OF INDIANS

Mr. POULIOT:

For a copy of the legal opinions given to the Department of National Defence relative to the mobilization of Indians.

Mr. RALSTON: I have made inquiries about this and I find that no opinion was given to the Department of National Defence with respect to this matter. But I have ascertained that there was sent to the Department of National Defence an opinion that was given to the Secretary of State for External Affairs (Mr. Mackenzie King). I have consulted the Secretary of State for External Affairs and I am quite willing to have the motion pass, if it is understood that it refers to that document. Again, this will be subject to the provision as to whether it is a matter of public policy to produce an opinion from the Department of Justice to the Department of External Affairs.

Mr. POULIOT: I rise to a question of privilege. This motion does not concern the Department of National Defence; it is directed to the Department of National War Services. It reads:

Copie des opinions légales données au ministère des services nationaux de guerre relativement à la mobilisation des Indiens.

Mr. RALSTON: It has reference to the Department of National Defence.

Mr. POULIOT: There is something wrong somewhere; it must be the translation.

Motion stands.

NATIONAL FILM BOARD—ASSISTANT FILM COMMISSIONER

Mr. McGREGOR:

For a copy of all correspondence, papers, letters, telegrams and other documents in posession of the civil service commission and exchanged between the national film board and the civil service commission relative to the establishment of the position of assistant film commissioner, national film board, and to the appointment of Ross McLean to the above noted position.

ST. JEROME, QUE., MILITARY CAMP

Mr. POULIOT (For Mr. Bertrand, Terrebonne):

For a copy of all letters, telegrams, agreements and other documents exchanged between the government, the federal departments and any person or persons, with respect to the construction of the military training camp at St. Jerome, Quebec. Also a copy of all invoices and paysheets in connection with this construction.

Mr. RALSTON: I am going to ask that this motion be allowed to stand. I should like to speak to the hon. member himself about it. The house will see that this would require a tremendous amount of detail in the way of invoices, pay sheets and correspondence. I am sure the hon. member's desire for information can be satisfied with much less information than is called for here.

Motion stands.

PRIVILEGE—MR. POULIOT

REFERENCE TO STATEMENT OF MR. HARRIS (DANFORTH) IN DEBATE ON MARCH 20

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, I rise to a question of privilege. The hon. member for Danforth (Mr. Harris), whom I would call our Billy Sunday, in his weekly lecture, which is reported at page 1496 of *Hansard*, named certain hon. members, including the hon. member for Témiscouata. He coupled my name with the names of other hon. members, and then went on to say:

Listening to their speeches I sometimes wonder what good they are doing the general cause. This letter says: "The last two nights Lord Haw-Haw has really been"—to use his own language—"razzing Mr. Churchill."

I have not been razzing Mr. Churchill; I have been praising him, as appears on page 1471 of *Hansard*. We are fortunate in having in this house members who represent various professions. I asked one of my colleagues who is a medical doctor what would be the best cure—

Mr. SPEAKER: Order. I understand the hon. member is raising a question of privilege in connection with the remarks of the hon. member for Danforth (Mr. Harris). Would the hon. member refer simply and solely to those remarks which he claims are a matter of privilege?

Mr. POULIOT: I was wondering when one was suffering from neurasthenia what would be the best remedy, and I was going to prescribe beef, iron and wine. I asked a doctor and he said that what would be best would be a rat killer. Then I asked another colleague who is a druggist what was the best kind of rat killer, and he told me a cat.

INCOME AND CORPORATION TAX

AGREEMENT WITH PROVINCES—COMPENSATION FOR VACATING TAX FIELDS AND ARRANGEMENTS FOR SUBSIDIES

Hon. J. L. ILSLEY (Minister of Finance) 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 authorize the governor in council to enter into agreements with the provinces respecting the vacation by them of the personal income and corporation tax fields for the duration of the war and to provide compensation therefor, and fiscal need subsidies in the case of certain provinces, annually during the term of the agreement.

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.

I should like to propose to the house that by unanimous consent this resolution and the next one be adopted so that the bills based upon them may be given their first readings to-day. This would mean that I would have to change the form of the motion so that it would be a motion to go into committee, this day instead of at the next sitting. We cannot do that on either of these resolutions without the unanimous consent of the house. I do not see any reason, however, why that consent could not be given. My reason for asking this is that eight legislatures are in session and are considering the provincial legislation necessary to the authorization of these agreements. They are awaiting information as to the terms of the bills which will be introduced in this house.

The bills are prepared and can be introduced to-day. If this is done it will enable the legislatures in the provinces to see the bills, and thus they would be greatly assisted. I am told it would be particularly of assistance to two of the provinces, Ontario and New Brunswick, and would help to expedite or facilitate the passage of the bills in those legislatures.

Hon. members who wish to discuss the matter may in both instances do so on second reading. At that time the fullest opportunity will be afforded; anything can be said on second reading or in committee after second reading of the bills. These resolutions are necessary of course as a technical preliminary to the introduction of the bills. I would ask the consent of hon. members that we go into committee to-day on this resolution and the following one, report the resolutions immediately and have first readings of the bills. Of course if anyone objects, it cannot be done; but if no one objects there is no reason why it should not be done.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, if the minister had used more diligence these resolutions would have been on the order paper a long time ago. There is just one limitation to that statement, and that is that one of the provinces had not entered into the final arrangements. I would like to point out to the minister that the time of the house in the debate on the address was taken up by nearly a hundred hon. members opposite, and the regular business of parliament was thus impeded for nearly a month. They took up three times as much time as hon. members on this side of the house, and their speeches on the plebiscite occupy three times as much space as that occupied by hon. members on this side. And yet the impression has gone out that we, and other hon. members on this side of the house, have sought to hold up government business. It is not true, and this occasion gives me the opportunity to say so.

The request which the minister now makes is quite reasonable. The legislatures are in session and they want to know the terms of the bills. To that I have no objection. But in withholding our objection in this instance we do not for one moment propose to give up our rights, nor do we propose that this procedure shall be taken by the government as a precedent for the violation of the rules of the house.

The minister has said there is no reason why we cannot debate the matter on the second reading of the bill. There is something in what he says, but it has been my experience that in the committee stage, by cross-examination and intelligent questioning, hon. members often bring out certain aspects of a public question which do not appear on the face of the motion. It is a valuable privilege accorded to members of parliament, and it is of value especially to those who are not promoting the legislation but are simply seeking information. It is a privilege which I say hon. members ought not to give up except in most exceptional cases.

I know the minister is anxious to have these bills introduced—and of course he does not propose to proceed with them until after the Easter vacation. We shall have ample time during the vacation to study the proposed legislation, and see what is in it. These agreements are most complicated. As opportunity has offered I have attempted to master

some of them, and I can say that they are highly technical. They are full of legalities which will require the study of hon. members.

I cannot possibly study nine different agreements. I am trying to confine myself to one or two, and I would hope that hon. members on both sides of the house, representing the various provinces, will take it upon themselves to get copies of these agreements and to study their effect upon their own provinces. After all we are not only citizens of Canada; we come from the various provinces, and I believe we should see how this matter affects our provinces.

I know the position with respect to New Brunswick, and it has not worked out according to plan. New Brunswick is giving up the income tax municipally—not provincially, because we have no provincial income tax. It is giving up corporation taxation, and the amount of taxes thus collected from us by the municipality is being transferred to the dominion treasury, and is being multiplied many times. I am not objecting to that, because this country is at war. But in New Brunswick we are being mulcted in new taxation to make up what is being transferred. I do not think anyone objects to the increase in rate of income tax we have to pay for federal war purposes. But I thought—and I think the country was led to believe—that the grants in aid made by the dominion to the provinces in lieu of the tax field vacated would be passed on in full to the municipalities. That, I believed, was the intention. What has happened? We are having new taxation in New Brunswick. It is taxation of a class or kind we never had before, taxation which under any name is additional taxation on real estate. And we will never be clear of it; I have made up my mind to that. After the field is vacated we shall have to pay the additional taxation, and I protest against that position.

So far as I am concerned I am quite agreeable to the minister doing what he wishes, subject to the reservations I have made.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, when a similar request was made a few days ago we acceded readily. But had we known that so many more bills were going to be brought before the House of Commons, and that so many more resolutions would have to be dealt with before the house rises, we certainly would have protested the long adjournment at Easter. It is, I suggest, a dangerous practice to allow to any extent the procedure which enables private members of parliament to scrutinize measures proposed by the government to pass away from us. I suggest that if we are to deal with very important measures, including the loan to Great Britain, the passage of the portion of the war appropriation which will be required immediately, and these resolutions, we should agree to sit the first three days of next week.

Mr. HANSON (York-Sunbury): No.

Mr. COLDWELL: And to go into these matters, if they are sufficiently pressing.

Mr. HANSON (York-Sunbury): Members have made their arrangements.

Mr. COLDWELL: I certainly think that we as a House of Commons are making a great mistake if we readily agree to a procedure of this kind. As the leader of the opposition has said, earlier in the session there was a great deal of discussion of the plebiscite question; on the address, on the resolution, and on the bill itself. On the agricultural measures also we had a long debate, although may I remind the house that that was not because of any action on the part of the opposition. We had agreed that we would be satisfied with having the bills dissected in committee, but two or three hon. members on the government side of the house wished to speak, and therefore we exercised the same prerogative and the debate became prolonged.

I do not like the procedure proposed. We are going to agree to this under protest, but we hope that business at the end of the session or before a recess will not be brought to us in such a way that we shall be compelled to rush it though without what we consider to be proper and adequate consideration.

Mr. E. G. HANSELL (Macleod): I am sure that our group desires to cooperate as much as possible in expediting the orderly and quick dispatch of the business of this house; and so far as I am personally concerned, and I believe I speak for this group, we will help the minister with regard to this particular measure by consenting to the passing of this resolution. But we do it under the conditions that the minister has already stated, that there will be the fullest possible discussion of the measure at a subsequent sitting, either on second reading or when the bill is in committee. Very often we have found that we are circumscribed in our discussion, and often cut off when we wish to debate some very important phase of a bill or resolution.

While I am on my feet may I mention another point, although in no spirit of criticism. We were somewhat alarmed the other evening when a resolution was suddenly passed and the matter slipped into committee without the knowledge of any

hon. members in this corner. I do not know that it was anyone's fault in particular, except that the house was unusually noisy at the time. One or two of our group were prepared to speak on the resolution—I believe it was the one which now appears as number 10 on the order paper—before it went into committee, but the hour was late; there was a good deal of noise in the chamber, because we had just concluded another measure, and the item had gone into committee before we knew about it. May I suggest that the house should be a little more orderly at times when we are passing from one measure to another?

Occasionally I am rather annoyed at suggestions of government spokesmen that such and such a thing must be done because the thing is very urgent, that we must have the money for this, that and the other, and have it by a certain time—because there may be a recess, or because of some other possible contingency. It reminds me that not so long ago, when the war was on and a certain session of parliament was called, the session lasted only three hours. I was surprised that the government could run the war for a good many months afterwards without asking parliament for any money, and in the meanwhile win an election. It seems to me that after that experience the government has very little excuse for rushing anything through this house on the ground that it has to be put through or they will not be able to get the money.

Provided that we shall have the fullest opportunity of discussing this measure, our group are quite willing to cooperate with the minister in connection with this particular resolution.

Mr. BLACK (Yukon): The Yukon territory gave up the personal income and corporation tax field on the understanding that what they surrendered would be made up to them, as is being done in the case of the provinces. The resolution mentions simply the provinces; is it intended to include the Yukon?

Mr. ILSLEY: No, Mr. Speaker, the Yukon is not included in this legislation. I will, however, look into the question, and if it is desirable to amend the bill, that might be done later. But the bill as drawn does not include the Yukon.

Mr. BLACK (Yukon): It should.

Mr. HANSON (York-Sunbury): What is the reason for two bills? Is it because of the special grant to the maritime provinces?

Mr. ILSLEY: Yes. The second resolution is really part of the arrangement, but was not envisaged at the time the item was passed in the supplementary estimates last summer.

Mr. HANSON (York-Sunbury): That is the forty-five million dollars?

Mr. ILSLEY: The three maritime provinces were quite content to enter into this agreement provided that they had some assurance that their Duncan and White commission subsidies would be maintained. As that has always been the understanding since those commissions brought in their reports, and as there has been a vote every year, and as the matter has always been regarded as settled, the government saw no objection to introducing legislation providing that these awards would take effect again after the termination of these agreements. I suggest that, if the house is agreeable to this course of procedure, we go into committee on both resolutions at once and report them both out. It is all by consent, anyway, and it will facilitate business.

I move that the house go into committee of the whole now on the following resolution:

That it is expedient to introduce a measure to authorize the governor in council to enter into agreements with the provinces respecting the vacation by them of the personal income and corporation tax fields for the duration of the war and to provide compensation therefor, and fiscal need subsidies in the case of certain provinces, annually during the term of the agreement.

And also that the house go into committee of the whole now to consider the following resolution:

That it is expedient to introduce a measure to provide statutory authority for the payment, as additional subsidies, to the provinces of Nova Scotia, New Brunswick and Prince Edward Island, of the amounts hitherto paid as special grants to the said provinces out of moneys voted annually by parliament, the said payments to be made annually after the termination of the agreements with the said provinces respecting the vacation by them of the personal income and corporation tax fields.

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 and the house went into committee, Mr. Bradette in the chair.

Mr. HANSON (York-Sunbury): Mr. Chairman—

The ACTING CHAIRMAN (Mr. Bradette): I shall have to read the motion.

Some hon. MEMBERS: Dispense.

Mr. HANSON (York-Sunbury): It is quite unnecessary to read the motion, quite unnecessary for the Chair even to put motions, because

the rules have all gone into the discard. This is not the first time this session that the government has sought to take advantage of a squeeze play to throw the rules into the discard. In the instance which occurred last week, referred to by the member for Macleod, it is quite true that that item slipped through without hon. members knowing what was going on in the chamber, though so far as I was concerned I understood it. I wanted to help the minister out, as I do now, but I protest against ignoring the rules in this way. The rules are there; let us live up to them. The forty-minute rule was violated for weeks, and now His Honour the Speaker is enforcing it; but the government has given the worst possible example by bringing down this legislation in this way.

The minister said that there were eight legislatures in session dealing with the matter; one is in recess. As I understand it, most of the eight provinces have dealt with the matter. I understand it has gone through the New Brunswick legislature.

Mr. ILSLEY: That is not my information.

Mr. HANSON (York-Sunbury): Perhaps I am wrong. It has gone through in Nova Scotia, has it not? At all events, this matter has been held up, I believe—this is perhaps only a shrewd guess—because of the opposition of Ontario. I think that is true. But the legislation in the other eight provinces will not be changed in any degree because of failure of this resolution or of these two bills to get through. It has been due entirely to the opposition of Ontario, and there is no harm in letting that be known, if it is so. The minister is bound to put through this legislation with respect to the other eight provinces at any rate, because of the signed agreements. The position is closed so far as this parliament is concerned.

Mr. ILSLEY: There is only one agreement signed, and that is with regard to British Columbia.

Mr. HANSON (York-Sunbury): The terms are agreed upon. I have read the correspondence with New Brunswick. They came back and came back and came back to get a little more, a little more, a little more. And the minister gave way little by little by little. They got a lot. They got so much that it has whetted their appetite and to-day we have the little province of New Brunswick, with less than 500,000 people, budgeting for double the amount of the budget of that province in 1935, seven years ago—this in war time with all these other taxes piling up on the people of the province in the form of increased income tax, national defence tax and every other kind of tax. The province of New Brunswick is budgeting for $11,000,000. At the same time the Minister of Finance calls on everyone to tighten his belt, to reduce expenditures. The two things do not add up or make sense at all, and I call upon the Prime Minister, I call upon members of the government if they have influence with their followers in New Brunswick to endeavour to induce the provincial government to let up on the poor taxpayer. We cannot live down there without any war industries. We have not received one-half of one per cent of the war contracts that have been awarded by the Department of Munitions and Supply, and it is just like pulling eye teeth to get anything now.

The Minister of Munitions and Supply has always taken the ground that we have no power in New Brunswick. Let me tell him something. In the county of Victoria there is a water-power development where, I am told, 15,000 horse-power is going to waste. If Canadian industry does not take that power, it will soon be under export to the state of Maine. That water power is available, 15,000, if that is the correct amount—and I have no means of checking. The information however must be easily available. If that water power were utilized we could have, on the upper stretches of the Saint John river, some important war industries, but we have nothing. They will not build wooden ships, and they can hardly get contracts for wooden boxes down there. They say the costs are too high. That is something I should like to have investigated. On the other hand the manufacturers of Ontario, who are making boxes for munitions, can go to New Brunswick and buy raw material and transport it clear up to Ontario and process the lumber and put it into the form of wooden boxes and get all kinds of contracts from this government. My hon. friend the member for Renfrew South (Mr. McCann) says they work faster and cheaper. I do not believe it. Man for man they are not a bit better than our men. I see the Minister of National Defence for Air (Mr. Power) applauding. He knows I am right, and he knows, so far as his country is concerned, I am right too.

Let us be frank about this matter. There is something wrong about the layout, about distribution. We have always had it thrown at our heads that we have no cheap power in New Brunswick. If we could get the machinery to double the capacity of the government-owned plant at Minto mines, which the ministry of the Hon. J. B. M. Baxter established in New Brunswick, where they burn nothing but slack coal, we could produce power in that province cheaper than it can be produced by hydro in Ontario. The cost of distribution

might be a little more, I do not know; but this talk about lack of power is just so much poppycock. Let me tell the Prime Minister and the Minister of Munitions and Supply that the people of the country are sick, sore and tired of seeing so much industry centralized in the central provinces. There is a real grievance there and I call on the hon. member for Regina City (Mr. McNiven) to support me; I call on my friends from Alberta. Where is the hon. member for Calgary West (Mr. Edwards)? He spoke about this matter last year. He discussed the centralization of industry and talked about water power on the Bow river. Not a yip out of one of them to-day.

Mr. TURGEON: The leader of the opposition complained about so many members speaking in debate. If we spoke on this matter to which he is referring would he complain?

Mr. HANSON (York-Sunbury): I do not understand the hon. member's question. It was one of those catch questions intended to divert one. I do not pay attention to that kind of question. I am serious about this matter.

The people of New Brunswick are disappointed and disgusted. The provincial legislature debated this matter the other day, and it was pointed out how little we have. A gentleman in my community who made shells in the last war—he had of course disposed of his machinery and plant but he knew the technique, and was able to get skilled mechanics—thought he could do a patriotic thing as well as give employment in communities where there was not a single factory, by making shells. He sought a contract to make shells. He had arranged for the working capital and he thought he knew where he could get the new machines. It took him a solid year before he got started. When he did get into production I am bound to say the department helped him. I give them that credit, but it was on a small scale. This story can be repeated in many small communities in New Brunswick. I entreat the minister—I have scolded, I have tried to cajole, now I entreat him—to endeavour to do something in the distribution of these war industries, something must be done for the small provinces, for New Brunswick and Nova Scotia. I do not know what could be done for Prince Edward Island, whether they could be given industrial employment or not. If the Prime Minister does not do something about it he is going to have another maritime question on his hands, another siege of maritime rights. I remember we had them here in the early twenties. I always admired the way the Prime Minister handled the delegation that came to Ottawa headed by little Johnny Murphy of Halifax. When the Prime Minister got through with him he just did not know where to go. The Prime Minister asked him where he was going if he went out of confederation, and he had no answer. I may have been a long time in offering my congratulations upon the manner in which the Prime Minister handled that delegation, but I do so now. I am glad there were no Conservatives leading that crusade.

I implore the Minister of Munitions and Supply (Mr. Howe)—metaphorically I am on my knees to him—to look into the situation in New Brunswick and see if he cannot do something. There is 15,000 horse-power going to waste on the Aroostook river in New Brunswick. I am sure the Maine people will be after that power. If it is once diverted, good-bye; we shall never get it back.

Mr. MacNICOL: Is there a power plant there?

Mr. HANSON (York-Sunbury): There is, and a good deal of that power is going across the line. It was promoted by international interests and they were entitled to some of that power, because the source of the Aroostook river is in Maine. It just happens that nature, or Lord Ashburton when making his famous treaty, had foresight enough to keep the power site in Canada, not in Maine.

I am only doing my duty to my province in calling attention to this local situation. I tell the minister that there are possibilities there; will he please look into the matter and see if something cannot be done, because the people are greatly dissatisfied.

Mr. HOWE: The Department of Munitions and Supply has not been neglectful of New Brunswick. I know of no instance in which an attempt to move industry into a province has met with as little success as it has in New Brunswick. One of my assistants was one of the first appointees of the war supply board; he has been with me ever since, and I charged him with the responsibility of seeing whether that section of the county could not be brought forward in the manufacture of munitions. But for example we find in Saint John a shipbuilding industry and a stevedoring industry of tremendous importance to the war. We have never yet been able to get the number of mechanics for the shipyard or the number of stevedores for that plant in the busy season to let them operate at anything like capacity. I can tell him that a company of which he is a director, or was until recently—I think he still is—undertook to build a chemical plant in the northern part of the province. We went full out in assisting

that development; we wanted it. What happened? A company in the central provinces quoted a cheaper price on the chemicals, and the company I am speaking of decided not to go ahead with the war production.

Mr. HANSON (York-Sunbury): The minister had better put it in this way, that the Central Canada company made the price so attractive by a price reduction that it would have been folly to go on with it. I was all for it; I tried to do all I could to help.

Mr. HOWE: I was all for it too. We needed the chemical, and I think that company should have gone through and helped out in the war situation.

Mr. HANSON (York-Sunbury): That company could not do it.

Mr. HOWE: In the matter of boxes, I should like to show my hon. friend the file and indicate to him the companies that quoted. We forced the box business there by paying higher prices than we do in the central provinces, and particularly in the west. We did that because that seemed to be one line of business at which New Brunswick should be able to do well. I think my hon. friend will find that anyone who wished to participate in the box business has a contract.

It is not easy to create industry in areas which do not have industry. In several communities in New Brunswick we have expanded small industries, and we are getting production out of them. There are a few towns along the bay of Chaleur from which we are getting production. But it is not the function of the Department of Munitions and Supply to create industry; it is this department's function to mobilize and expand industry, and that we are doing. It is very seldom that we start from zero and create a new industry anywhere; if we do, it is because there is no nucleus of such an industry in Canada. We develop and expand existing industries. We have attempted to develop industry in the maritimes. We find we have overdone it. At the present time we are moving out of one city in Nova Scotia a very considerable contract which we placed there a year and a half ago, for the reason that we have been able to get no production whatever. We have attempted to force that maritime situation just as far as we could. It is all very well to say there is some undeveloped horsepower—

Mr. HANSON (York-Sunbury): I did not say undeveloped. It is developed.

Mr. HOWE: Is there horse-power available there that you could buy over the counter?

[Mr. Howe.]

Mr. HANSON (York-Sunbury): I am not sure of that.

Mr. HOWE: We shall have to find that out. But in every part of Canada we have attempted to develop industry, and the more difficult the problem the greater has been our attempt. I do not know of any parts of the country which have received as much attention from our department as the prairie provinces and New Brunswick, because there a real problem was presented—first to find industries that could be set up, and second to organize the placing of industry in those areas. We have succeeded to a certain extent. The hon. member mentioned Calgary. I think Calgary has about all the industry to-day that it can absorb. He mentioned Regina. I think Regina has all it can absorb, more than it has ever had. He called upon certain other hon. members. We have not been neglectful; if the hon. member can produce anyone from his province who can take work and do it at anything like a reasonable price, or show us any industry that can be expanded, he need not beg us on bended knees, because we are looking for production and will be very glad to cooperate.

Mr. MICHAUD: Since the hon. leader of the opposition has opened up this question for the third time I think it my duty and right to support the Minister of Munitions and Supply (Mr. Howe) in regard to what he says has already been done for New Brunswick in forcing war industries in that section of Canada. One must not overlook the fact that New Brunswick has a population of 450,000 people, spread over a fairly large area. There are no great centres of population. The largest city is Saint John, with 66,000; the next is Moncton, with 22,000; then Fredericton, the capital, with 10,000, and towns ranging from 3,000 to 8,000 or 9,000. In the second place, unfortunately the industries we had years ago have been either abandoned or moved to Quebec, or as we say in the maritimes, to upper Canada.

When war broke out and we went into the manufacture of munitions, the Minister of Munitions and Supply (Mr. Howe) was good enough to ask the people of New Brunswick what they could contribute to the war effort by way of munitions. First he requisitioned the services of the best men who could be mobilized, to advise and help him. Between myself and the citizens of New Brunswick, whom I considered and still consider the most public spirited one could find, irrespective of their political affiliations or allegiance, we advised him to select certain persons. As has been stated already, the minister now has as

his first adviser and righthand man in his department a gentleman from New Brunswick who is not serving for a dollar a year, or for his expenses, but who is giving his full time to the country altogether without charge. In addition there are in the minister's department three New Brunswickers who have been asked to find out what industries might be opened in that province.

It is said that we should have some large industries. Well, in order to establish large industries we would have to import skilled labour. The minister has already said that with the small industries now in full operation in New Brunswick there is no spare skilled labour. We would have to provide housing accommodation. We would have to provide machinery. The leader of the opposition has given us the example of a small undertaking in his own city, the capital of the province, in which case a year was required in order to get the necessary machinery.

Mr. HANSON (York-Sunbury): No, I did not say that. It took the man a year to get a contract and get going.

Mr. MICHAUD: No.

Mr. HANSON (York-Sunbury): Yes, it did.

Mr. MICHAUD: The Minister of Munitions and Supply will corroborate me, I am sure, when I say that it did not take this man a year to get a contract. It took him a year to satisfy the department that he would be able to carry out a contract, that he would be able to find the necessary machinery with which to equip his plant. I must say that not only that individual but others in the province were given the same undertaking or promise and were also advanced the necessary capital with which to place themselves in a position to carry out government contracts. We have shipbuilding in Saint John; one plant there employs a thousand men, and it would employ more men if it could get them. We have small industries, small munitions plants, disseminated all over the province, which are doing just as much as those operating them feel they can handle. They have been advanced capital in order to place themselves in a position to deliver the goods and execute their contracts. I consider that it is better in the interests of New Brunswick to have five or six or seven small munitions plants disseminated all over the province than to have one large plant located at one centre. I know there are now five munitions plants operating in a small way, producing goods of a quality not only satisfactory but considered to be among the best by the inspectors and the department. With regard to boxes, it has been stated already that in order to get the manufacturers of New Brunswick to take contracts for shell boxes, special provision had to be made, and prices higher than would be paid in other parts of the country had to be allowed in order to enable these plants to take and execute contracts. To-day several contracts of this kind are being carried out in that province, and there would be more if there were more contractors to tender on this work.

With regard to the chemical plant which was mentioned by the minister, this was a project of great magnitude and importance, and we were all hoping that it would be located in New Brunswick. We thought it was work that would be suited to that part of the country. Every effort was made to have it constructed there, but at the last moment someone offered to supply the material elsewhere at a much lower cost to the public treasury than it could be supplied by the people whom we were trying to induce to go into the business. Thus we were faced with the fact that to locate the industry in New Brunswick would require a greater expenditure of public money for material than would be the case in another part of the country. Unfortunately, therefore, this proposition did not go through, and that industry was not located in New Brunswick. We also tried to secure another chemical industry of great magnitude for that province, but it was considered that the locality could not take care of such a large undertaking.

I agree that it is regrettable that there are not many more large war industries located in New Brunswick, but that is not the fault of the department or of the government. Unfortunately it is the result of local conditions which cannot be overcome. I submit that every plant available in New Brunswick to-day is working at full capacity, and much more work would be available if those operating the plants thought they could handle larger contracts of this kind. Therefore I submit that the leader of the opposition is not at all justified in trying to cast aspersions on the Minister of Munitions and Supply for not having given more attention to New Brunswick or for not having awarded the people of that province large war contracts.

Mr. HANSON (York-Sunbury): I have not much more to say, but I did not think I was casting any aspersions on the minister personally. I was not doing that, and I do not intend what I said to be interpreted in that way. Notwithstanding what the Minister of

Fisheries or the Minister of Munitions and Supply may say, the fact remains that there is very little industry in New Brunswick. There was a great deal more industry there in days gone by than there is to-day. It is the old question of geography. The Minister of National Defence is looking at me, and he knows, as I do, that one reason why there is not more industry in the maritime provinces is our geographical position, the long haul required in connection with interprovincial trade.

We have had a great struggle to maintain what industries we have. I know something about the cotton industry in New Brunswick. The raw material has to be hauled via Chicago and the central provinces to New Brunswick, and 90 per cent of the output of the mills must be hauled back and marketed where the buying power is. I happen to know something about the confectionery business, and I feel quite sure that if the factories in Halifax and St. Stephen were burned down, they would never be rebuilt. The consuming public simply is not there. The main body of the consuming body is in the central provinces, and I fear that as time goes on this condition will become worse.

Mr. REID: It will be worse after the war.

Mr. HANSON (York-Sunbury): It may be worse after the war. I am sorry the minister made reference to my personal connection with the company which was considering this chlorine proposition. I do not think the affairs of that company should be debated in parliament. I did everything I could to get the management to take up that proposition. The plans were all completed, but the supplying corporation came in with an offer which made it impossible from an economic point of view for the company to go any further. The matter had to be dropped because the capital investment could not be made to pay. As a matter of fact, it was represented to me that after the construction period was over, this plant would not maintain much steady employment. That was another factor. There is another angle to be considered; the supplying company must have been obtaining too much for their product.

I do not intend to debate this matter. The fact remains that public opinion in the province, no matter what its political type or character may be, is complaining, rightly or wrongly. This matter was the subject of a debate last week in the house of assembly, when the leaders of both parties brought up the matter. I know the provincial government of New Brunswick has been trying to do something about it. They have had some good men, and some not so good, come here. There is no substantial war industry in that province. They have never asked specially for the establishment in that province of some of these large government-owned industries, although I have always thought that since some of the products of these plants must of necessity go overseas, some of the plants should have been established in the maritime provinces rather than so far removed from the east coast, necessitating a long freight haul.

Mr. REID: You have not as many men idle as we have in British Columbia.

Mr. HANSON (York-Sunbury): I am sorry, but I do not know much about the situation in British Columbia. When I was in British Columbia last July things seemed to be humming. They have steel shipbuilding plants there, but of course there must be considerable change in the export trade from Vancouver due to the cessation of shipping on the Pacific. I have no doubt that there is a real problem there. I am just making a plea with respect to my own province, and if British Columbia finds herself in a worse plight, it is just too bad. I had a letter last week from a journeyman carpenter in Moncton, who told me that he had been employed on construction work at aerodromes and the like. He wanted to know what was going to be done to provide employment for the people of New Brunswick when this construction work was completed. I referred him to the hon. member for Westmorland (Mr. Emmerson), because he came from his constituency and I thought it was a good chance to put the matter up to him. I do not know what can be done about it.

Mr. REID: I should like to have an answer before I return home at Easter.

Mr. HANSON (York-Sunbury): Let us join forces; that is all I can suggest; let us have a coalition for the time being and do what we can. I hope the hon. member for New Westminster raises his voice in this connection. If he will speak for British Columbia, I will speak for New Brunswick. We are not satisfied at all. The minister has said that everyone who wanted a box contract, got one. I should like to tell him that a friend of mine, the president of a Liberal association of one of the counties of New Brunswick, has tendered many times.

Mr. CRUICKSHANK: It would have been better if he had been a Tory.

Mr. HANSON (York-Sunbury): Invariably the answer has been that his price is too high. I will give the minister his name in confidence

because I do not want to give it here. He is a fine type of man, and I have been associated with him in one or two business enterprises. He is a good business man, and I cannot understand why he is not able to get down to the level of Ontario prices. There must be something wrong about the standard of wages in Ontario. I should be glad if the minister would have the timber controller or someone tell me why we cannot get more box contracts in New Brunswick. They are making shell boxes in Sackville, but it may be that they are better adapted to that work. The plant operated by the gentleman to whom I have reference is located in the Miramichi district, which has been one of the distressed areas for a long time.

Mr. MAYBANK: Before British Columbia and New Brunswick get together in a coalition I should like to interpose a wedge between them. I suppose if they do get together, there will not be anything left for the flat country from which I come. I noted that the last speaker lamented the fact that someone of Liberal persuasion could not get a contract. I think that is general throughout the country. I think every minister will say that the general complaint is that Liberals do not get the contracts. I am not the least bit concerned about whether a Liberal or a Tory gets a contract; all I want is to have the government bring about a better distribution of contracts than appears to obtain at the present time.

The Minister of Munitions and Supply says that it is not his business to distribute these contracts on any other basis than efficiency of production, and I agree entirely with him. I have spoken on this subject before. I remember the question came up in the house about six or eight months after the fall of France. I was able to say at that time that I thought the work of the Department of Munitions and Supply had been a series of splendid or brilliant improvisations. That is just about what it was. The department was forced to get things quickly, and to do so, turned to the area of centralized industry. Unquestionably that was the right thing to do. From the point of view of a department which is interested chiefly in getting out guns, ships and all kinds of equipment, I believe the attitude taken by the Minister of Munitions and Supply is not to be criticized.

On the other hand I do say that governments must consider the social consequences of the courses they may follow. There is certainly too great a concentration of works here in the east, in that portion recently described by one writer as "the wedge." He was referring to the district bounded by Montreal, North Bay and Windsor. Perhaps it might be called a triangle.

Now I hold in my hand a letter received either to-day or yesterday from the Industrial Development Board of Manitoba. I submit it is a reasonable letter, and I should like to place it on record as substantially expressing my own views with reference to this problem. The letter addressed to me, states:

> This board desires to direct your attention to the situation in Manitoba with respect to lack of war production, idle plants and idle men, many with industrial experience.
>
> Relief rolls which had decreased to a very considerable extent during 1941 are now on the increase, for example the number of families on relief in Winnipeg was 535 at the end of last October and has now increased to 710 and is growing every day.

Perhaps I should interject that it is usual in February and part of March for relief rolls to increase. That has been my experience in my constituency. Nevertheless that is a very heavy increase at this juncture of our national life. The letter continues:

> The *Labour Gazette* shows there were 8,790 persons unemployed in Winnipeg, and 9,599 unemployed in Manitoba at December 31 last. The Hon. Errick Willis stated at a recent meeting that there are 1,200 unemployed carpenters in Winnipeg, and that is typical of the conditions amongst skilled men in this province.

Endeavouring to be completely accurate, may I point out that when I was in Winnipeg recently I spoke with the business agents of certain trade unions. They did not place the figure at 1,200, as did Mr. Willis. Rather they said they believed there were between 600 and 700 unemployed at that time. The letter continues:

> Very few plants are in operation more than eight hours per day although capable of handling a wide variety of war requirements if given the opportunity.
>
> After two and a half years of war only a very few plants have been built or appreciably extended to take care of war contracts of any amount. They include the cordite plant near Transcona, MacDonald Bros. Aircraft in Winnipeg and St. James, Dominion Bridge Company, Winnipeg, and the Manitoba rolling mills at Selkirk.
>
> Although large numbers of our skilled workmen have gone east and west to fill positions in war industries in other provinces there still remain thousands on short time or without employment who naturally feel that they should be permitted to make their contribution toward the all-out war effort to which Canada and the empire is pledged. Apparently one of the reasons is that industry is far too concentrated in certain areas in the east while vast areas in the prairies are practically without war plants or war contracts. We are informed that Ontario produces 50 per cent of the manufactured goods made in Canada and Quebec 30 per

cent, that is 80 per cent of Canada's manufacturing production is concentrated in two eastern provinces, leaving only 20 per cent for the other seven provinces. Manitoba ranks fourth in manufacturing production for Canada but produces only 4 per cent of the total for the dominion. Many communities in the east are so congested with new industries and expanded industries that they are competing for each other's labour and housing has become such a serious problem that War Housing Limited is required to build new homes in those congested districts by the thousands. In Manitoba we have plants which have had very little or no opportunity of manufacturing or subcontracting for war supplies and thousands of skilled workmen whose homes are in the vicinities of these plants should be engaged in production in two or three shifts per 24 hours.

The number of plants in this province operating more than one shift can be counted on one's fingers. Plants in the east are surfeited with war orders which they are months behind in filling. The machine shops of the large paper companies are surfeited with work for war contracts while our machine shops are relatively at a standstill.

Manitoba has well exceeded its proportion of the dominion government's various drives for money, such as the first and second victory loans and war savings certificates.

I read to-day in a Winnipeg paper that in the recent drive they exceeded their quota by 50 per cent. The letter continues:

In addition it has very well, in proportion to its population, supported the three armed services although very badly depleting many farming communities of necessary farm labour in doing so. We feel that the dominion government should see that this provincial area receives a fair share of the war industrial expansion and production, in spending these vast sums of money collected for war purposes.

We have had a number of officials from various departments of the government in Winnipeg during the past few months and have laid these matters before them with the necessary facts and figures. Mr. Sheils assured us just a few days ago that full data is on record in the departments at Ottawa, from which comparisons can be made and which give the facilities, labour, plants, and war production of various Canadian centres.

The next paragraph need not be read, because it simply points out that this letter is being sent to other persons. The final paragraph merely expresses the hope that it will be possible to work out some plan more advantageous to Manitoba.

Mr. HOWE: Perhaps I was not listening as closely as I might have been, but I did not hear the hon. member mention by whom the letter had been signed.

Mr. MAYBANK: I had not read the actual signature, but I did point out in the beginning that it came from the Industrial Development Board of Manitoba. It is over the signature of the chariman, who is Mr. J. N. T. Bulman.

[Mr. Maybank.]

I do not read this letter or speak in support of its statements in any spirit of blaming anyone. I do not believe the Department of Munitions and Supply can be expected to pay attention to anything except efficiency of production. That department can hardly be expected to place contracts with a view to their social implications. I do insist, however, that some department of government ought to pay attention to the social factor. Surely one need not argue that a large number of unemployed spells "waste"; there can be no getting away from that fact. The unemployment of machinery spells "waste", and waste is one of the things against which we are struggling.

It is true there are more industrial workers at work in Manitoba to-day than there were last year. Something has been done. But it is also true much more can and should be done by this government. It is possible to place work in the country with some regard to the social importance of its placement; and I submit that this should be done.

I do not wish to be in a position of endeavouring to gouge out something for the province of Manitoba. If it can be agreed that the condition of affairs as set out in the letter I have read represents what is fair and just, then I shall be satisfied. But it does not seem to me that such a condition does represent fair play; nor do I think it represents wisdom on the part of the government.

Mr. ILSLEY: Mr. Chairman, would it be unreasonable to ask hon. members to defer this discussion to some other order of business? There are two resolutions before the house, and we are dealing with them by consent. Each relates to tax agreements with provinces. I have been hoping minute by minute that this discussion would not become unduly protracted, but present indications are that we are going to have somebody speaking from each province, and that perhaps several other hon. members will ask that more industries be sent to their provinces. Nothing to my mind could be further removed from the subject matter of the resolution than this type of speech. I would respectfully ask hon. members to make these speeches under a resolution or a motion of some kind where they would be in order, instead of to-day. This can go on indefinitely; it is the sort of debate which can continue for days and weeks, and my object will be frustrated entirely if I do not get these resolutions passed, for which I asked consent to proceed.

Mr. ROSS (Souris): Do I understand that we are out of order in discussing this particular matter now?

The ACTING CHAIRMAN (Mr. Bradette): I may state, following the statement of the Minister of Finance, that to speak at random on industries in different parts of the country would be out of order at this time. We allow a certain amount of latitude, but if the discussion becomes general it would certainly be out of order.

Mr. ROSS (Souris): I think this resolution affects our province very much, and I should like to take just a minute or two to substantiate what the hon. member for Winnipeg South has said.

Mr. ILSLEY: On a point of order, if this hon. member speaks, then I see no reason why all should not.

Mr. ROSS (Souris): I am agreed.

Mr. ILSLEY: I am raising a point of order now.

Mr. BLACK (Cumberland): I should like to say something on this question, but I will defer it. There is, however, a matter with respect to the agreement as it applies to the maritime provinces; I refer particularly to Nova Scotia. Why is it nesessary to include the special grants under the Duncan and White commissions in the amounts payable to the different provinces? There is, for example, for Nova Scotia $1,300,000 which it has been receiving for a number of years. Why should these sums be added to the compensation being paid to these provinces at this time under the agreement? In order to have the agreement made acceptable to the maritime provinces, an undertaking is given by means of special legislation that the provinces will not be prejudiced thereby, but these sums will be made payable to the provinces subsequent to the termination of this agreement. Why is the amount not deducted from the amount now payable and made a matter of permanent legislation at this time?

Mr. ILSLEY: The amounts have been voted year after year by special grant, and all special grants, including these, to the provinces were discontinued. The maritime provinces took the ground that their special grants were in a little different position from the other special grants, and it was considered that the best way to recognize the principle and at the same time follow along the line on which we started was to pay the amounts under the agreements, amounts large enough to include the special grants, until the termination of the agreements, and then guarantee the continuance of them afterwards by this legislation. The dollar result is exactly the same, whether we do it this way or the hon. gentleman's way, but to do it this way fits in to what we did last year; it fits into the item which was passed in the supplementary estimates, and into the general scheme; and since it comes to the same thing financially, and since it gives the same assurance for the future, it would be awkward to change it now.

Mr. BLACK (Cumberland): It leaves the impression that the maritime provinces are receiving a very much larger sum than they are in reality.

Mr. HANSON (York-Sunbury): On the point of the New Brunswick agreement and the Nova Scotia agreement, there is a special item in the New Brunswick agreement of some $300,000 odd which is given for no apparent reason, that I can locate in the schedule. What is the reason for that extra $300,000? Is it on the ground of necessity?

Mr. ILSLEY: Yes, the fiscal need.

Mr. HANSON (York-Sunbury): And was the minister aware that, at the same time as he was giving that $300,000 the government of New Brunswick were proposing to take out of the taxpayers additional sums by way of taxation beyond what they have been taking? The point of the whole thing is that the agreement is being defeated by provincial government policy. Instead of the taxpayers getting relief, they are paying a much larger sum here in federal income tax, and new taxation is being imposed on them provincially. For example, $250,000 is levied from the people under the guise of a tuberculosis tax; in reality it is a tax on the poor man's tobacco. Then there is this question of freezing the amount of the income tax and the corporation tax at the 1940 level, which is grossly unfair, having regard to the fact that more money is being spent in the province, and to the consequent increase which would come to the province and the municipalities from that increased flow. This is the cause of a good deal of trouble there. It is one of the reasons why we have some new municipal taxes, and it is something of which the minister should have taken account. Why was the figure frozen at the 1940 level? Why should there not have been some flexibility in that amount, so that the provinces would be reimbursed to the extent that they will suffer in any given year by reason of vacating the field, rather than that they should suffer only the loss on a given year which is below the maximum? The minister gets my point, I am sure?

Mr. ILSLEY: Perfectly.

Mr. HANSON (York-Sunbury): If this prodigious spending goes on, the loss of revenue in 1942 to the provinces or the

municipalities will be still greater, and we shall have more taxes to carry on the public services.

I am bound to say that the municipalities are making a manful effort to keep down the assessment. That of the city of Fredericton is just $1,000 more than it was a year ago, and the city of Moncton has reduced its municipal assessment by something like $180,000—which is of course most commendable. But the province has raised its budget by half a million dollars, and we are in the unhappy position not only of finding ourselves paying an increased income tax, which we are glad to do, but of being doubled up in the municipal field. The whole thing is wrong, contrary to the spirit of the Sirois report, contrary to the intent of the original municipal agreements; and this government does nothing, as far as I can see, to prevent it. New Brunswick should be spending less as the demands for the federal treasury grow, and yet we are spending more.

I understand the premier of Nova Scotia made the statement that the agreement which they have signed or proposed to sign provides much less than they hoped to get. What was the spirit in which these people came here? Did they come here to ask for a great deal in the hope that they would get something more than had been offered? What was the demand made by Nova Scotia? I have not had time to go through the correspondence. I do not understand what that position is, but I think we are entitled to be enlightened, and this is the time for it—on the resolution stage.

Mr. REID: I understand that British Columbia has signed an agreement. Has the $750,000 given to that province in 1933 been wiped out?

Mr. ILSLEY: It is discontinued.

Mr. BLACKMORE: I have no desire to hold up the resolution, but there must be some place where the representatives of the seven provinces that are being fleeced can express their feelings and demand of the government that something be done about the matter. There are seven provinces that are simply paying the shot. Money is being collected which they are gladly giving in the way of loans, and money is being spent largely in the two central provinces. We do not desire to do anything that would militate against the two central provinces, with whom we have no quarrel, but every province lives largely on the product of its industry. If money is to be collected from Alberta, or Nova Scotia, or New Brunswick, or any of the other seven provinces, with the result that industries and businesses in those provinces are unable to sell their goods, and then the money is spent in the two central provinces, there is being created a situation which is going to wreck the country. All I wish to do is to protest against the whole set-up. I am not satisfied that this is the place to do it, but since the leader of the opposition has raised the question, I agree with him.

Mr. DOUGLAS (Weyburn): It seems strange to me that this resolution has been brought in without a statement from the minister. Perhaps he intends to make a carefully prepared statement when he introduces the bill, and I hope that on that occasion he will give us a clear picture of what will be involved in relation to those provinces which are vacating the personal income tax and corporation tax fields, and will tell us what compensation they will receive. If copies of all agreements can be made available, and a statement given showing how the different provinces will be affected, what the quid pro quo will be, it will be very helpful. In fact, it would have been better to have had that statement when the resolution was being introduced. Had we had such a statement we would have been able to study the whole situation with regard to the agreements as they will affect the different provinces. However, if the minister intends to make a statement later, that will be satisfactory.

Mr. ILSLEY: To anyone reading the bill, it will convey a great deal of information. It will set out the amounts payable to each province, first, in compensation for the tax fields, and, second, by way of fiscal need subsidy. The agreements, as they had been drafted, were laid on the table of the house some weeks ago, and hon. gentlemen can get those and read them. I wish them joy reading those agreements, because they are very long and complicated; nevertheless, they do convey the information which hon. members are seeking. When I bring down the bill I shall make a detailed statement of the whole matter.

Mr. DOUGLAS (Weyburn): By provinces?

Mr. ILSLEY: Yes. I cannot remember having been engaged in a more comprehensive or intricate set of transactions and it has required an immense amount of work and time. It would defeat my purpose entirely and would be out of place for me to attempt to make a long and complex statement in connection with this resolution at the present time. I thought this would be regarded as a technical preliminary to the bill. The bill

itself will start hon. members off and they can study the agreements. When I introduce the bill I shall make a careful statement on the whole matter.

Mr. HANSON (York-Sunbury): The minister should have made the statement at the very outset—that is the proper time—on the principle of the matter, and then an opportunity could have been given to ask questions. We will let it go this time, but not again.

Mr. REID: Have the agreements been tabled? If so, where can we see them? I have in mind particularly the one in connection with British Columbia.

Mr. ILSLEY: The one that has been signed has not been tabled; it was signed only on Friday. I will table that right away; there is no reason why it should not be placed on the table. The draft agreements were tabled some weeks ago.

Mr. GILLIS: Does the minister intend to bring this bill in before the recess?

Mr. ILSLEY: To-day. I want it given first reading to-day so that the legislatures can have a look at it. Two of them have made a request and one is anxious to see it.

Mr. GILLIS: When will the agreements be available?

Mr. ILSLEY: The draft agreements are already a part of the records of the house. The only completed agreement is the one with British Columbia, and at the request of the hon. member for New Westminster (Mr. Reid), I will table a copy of it tomorrow or the next day, as soon as it can be prepared, but before the recess at any rate. The other agreements will be tabled as and when they are completed.

Mr. MacINNIS: Will the debate on the bills take place before recess, or will the bills be simply introduced.

Mr. ILSLEY: Just introduced.

Mr. DIEFENBAKER: I notice that there is a matter before the legislature of Saskatchewan in the form of the second reading of a bill.

Mr. ILSLEY: Yes.

Mr. DIEFENBAKER: Has the agreement been completed with Saskatchewan?

Mr. ILSLEY: No.

Mr. DIEFENBAKER: What is the position so far as that province is concerned?

[Mr. Ilsley.]

Mr. ILSLEY: I think the government has introduced a bill authorizing it to enter into an agreement with the dominion.

Resolutions reported, read the second time and concurred in. Mr. Ilsley thereupon moved for leave to introduce Bill No. 16, to authorize the governor in council to enter into agreements with the governments of the provinces of Canada respecting the vacation by the provinces of the personal income tax and corporation tax fields for the duration of the war, and Bill No. 17, to provide for the payment of additional subsidies to the maritime provinces.

Motion agreed to and bills read the first time.

CANADIAN ARMY

EFFECT UPON AGRICULTURE OF USE OF HORSES FOR TRANSPORT

On the orders of the day:

Mr. J. A. ROSS (Souris): I wish to direct a question to the Minister of National Defence (Mr. Ralston), who I notice is not at the moment in his seat. The question is based on an article in the Ottawa *Journal* of March 21, 1942, under the headline "Canadian army forces to use horses for transport." Will the Minister of National Defence say whether or not this is correct? If it is, it would affect agriculture throughout Canada.

Mr. SPEAKER: I think that question should be placed on the order paper.

WAR EXPENDITURES

INQUIRY AS TO SETTING UP OF COMMITTEE

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): I should like to ask the Prime Minister if he has been able to complete arrangements for the appointment of the war expenditures committee.

Right Hon. W. L. MACKENZIE KING (Prime Minister): As a matter of fact I have not, but looking at my hon. friend the leader of the opposition (Mr. Hanson) I think he and I shall be able to do so very soon.

PRIVILEGE—MR. MACKENZIE KING

REFERENCE TO ADVERTISEMENT PUBLISHED IN THE NEWSPAPER "LA PRESSE"

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): On a matter of privilege, on Friday last the hon. member for Laval-Two Mountains (Mr. Lacombe)—I am sorry he is not in his seat at the present time—rose

on a question of privilege in reference to an advertisement published in the newspaper *La Presse*. He spoke at page 1485 of *Hansard*, as follows:

Mr. Speaker, on a question of privilege I wish to call the attention of the Minister of Justice (Mr. St. Laurent) to an advertisement published at the expense of the dominion government in the great Montreal daily *La Presse*. The concluding words of that advertisement are as follows.

And he gave the concluding words. I have before me the advertisement which appeared in *La Presse* to which the hon. member referred, and I notice he quoted the words near the end of the advertisement but refrained altogether from quoting the following words which appear equally on the face of the advertisement:

Cet espace est gracieusement offert, comme contribution à l'effort de guerre du Canada, par Hull Iron & Steel Foundries Limited.

Translating that I would say it means that:

This space has been donated as a contribution to the war effort of Canada by the Hull Iron and Steel Foundries Limited.

It is not an advertisement that is being paid for by the government of Canada—

Mr. HANSON (York-Sunbury): Indirectly it is.

Mr. MACKENZIE KING: No, neither directly nor indirectly. It is paid for by this company as a contribution to Canada's war effort, and I submit that the hon. member ought to have been, if he was not, fully cognizant of the statement which appears as I have read it, and should have communicated that fact to the house. As a matter of fact he should not have raised the question at all.

WAR APPROPRIATION

UNITED KINGDOM FINANCING—WAR SUPPLIES, FOOD AND LOAN WITHOUT INTEREST

Hon. J. L. ILSLEY (Minister of Finance) moved the second reading of Bill No. 15, for granting to his majesty aid for the purpose of financing United Kingdom war requirements in Canada and for national defence and security.

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

On section 1—Short title.

Mr. HANSON (York-Sunbury): Is it possible under the wording of this bill, especially section 3, subsection 3, that all the billion dollars might be taken up by acquiring the sterling balances held by the foreign exchange control board? I do not know what the state of the account is but the way the bill reads, that could be done. It will be remembered that the billion dollar credit is in addition to the $700 million conversion—to use that for lack of a better term. The bill as drafted provides a blanket additional power and might be used to take up the whole billion dollar gift.

Perhaps the minister would prefer to deal with it section by section, but it goes to the principle of the measure, and this is the only time we can ask questions on the principle in committee.

Mr. ILSLEY: Whatever could be done under the bill, there is no doubt whatever as to what will be done.

Mr. HANSON (York-Sunbury): Then why not say "will be" instead of "may be"? There should be some limitation, because this may not be a gift at all in a sense for the future. It is quite possible that if the foreign exchange control board had a billion dollars' worth of sterling, the government under this measure could acquire it all and there would not be anything more. This was loosely drafted.

Mr. ILSLEY: The hon. gentleman is objecting to the word "may" throughout?

Mr. HANSON (York-Sunbury): Yes, it is a blanket power; it does not go to the objective as stated by the minister.

Mr. ILSLEY: It is the usual way to draw bills.

Mr. HANSON (York-Sunbury): That is no answer.

Mr. ILSLEY: I am sure if I were to go to the justice department and ask them to spell it out, their advice would be, "No, leave it that way." I am stating what will be done. I will read this over critically, having the hon. gentleman's observations in mind; it is possible there would be power to do some queer things with this that nobody has any thought of doing. But I repeat what will be done. There is a considerable amount of sterling in the hands of the foreign exchange control board; it is perhaps not far from a billion dollars; but it is proposed to convert $700 million worth of it into a loan, and it is proposed to repatriate $295 million of securities, so that takes up $995 million worth of that sterling. Therefore there will be a small amount left, perhaps seventy or eighty million dollars' worth, that will be retired out of the billion dollar gift, leaving something over $200 million available to the United Kingdom for the purchase of goods and supplies in this country. That is the programme, and this bill empowers the government to carry out that programme. The only point as I understand

it is that the hon. gentleman says that imperative words rather than empowering words should be put in this bill.

Mr. HANSON (York-Sunbury): That is not the point. I understand the legal position very well.

The ACTING CHAIRMAN (Mr. Bradette): Order. We are now on clause 1, short title.

Mr. HANSON (York-Sunbury): But it is the only clause under which the principle of the bill may be discussed. If you do not let us discuss it on that, we cannot discuss the principle at all in committee. Possibly it might be done on the preamble. The bill now before us does not carry out the government's proposals. It could switch the money. We have heard of this sort of thing being done before. I remember when moneys were voted to the Canadian National Railways prior to 1930 for capital expenditures for the railway and I do not know how many millions were put into the *Prince* boats. They were switched by the management with the consent of the Minister of Railways of that day, and parliament knew nothing about these ships until the contracts were let. I am not accusing the minister of bad faith, but there is concrete evidence of what has happened in the past as to what may be done. I do not know how much sterling the foreign exchange control board has at the moment; but if they had a billion dollars, this money could be used for that, and there would be no gift at all.

Mr. MARTIN: Is it subsection 3 about which the hon. gentleman is worried

Mr. HANSON (York-Sunbury): Yes; that is the pertinent section. This is a blanket power that will enable the government to do anything with this billion dollars.

Mr. ILSLEY: As I said, the point is that the hon. gentleman suggests an imperative word instead of an empowering word.

Mr. HANSON (York-Sunbury): I suggest a new set-up altogether, to cover the concrete proposals the minister gave parliament. The gentlemen who drew up this bill did not carry out the thesis of the minister when he addressed the house at the resolution stage, except in part. I think that is a fair statement. There need not be any gift at all, if they want to take up the sterling exchange owned at the present time by the foreign exchange control board.

Mr. ILSLEY: I do not admit that for one moment, and the hon. gentleman has to prove it if he wants it to stick. He has made that assertion several times; he has repeated the statement but he has not backed it up by any argument. I have been trying to find out what he is basing it on, but I cannot. This is what I base my denial upon. On page 3 section 3 subsection 3, at lines 7, 8 and 9, the words "which are not required for the purposes of sections four and five of this act" are found. I understood the hon. gentleman to argue that because subsection 3 reads in this way—

> The minister may acquire from the foreign exchange control board all sterling balances held by the said board at the date of the commencement of this act . . . and may pay for the sterling balances so acquired out of the moneys appropriated by subsection one of this section. . . .

—under that the minister might take the whole billion dollars and pay for the sterling balances, leaving nothing for the gift.

Mr. HANSON (York-Sunbury): That is the point.

Mr. ILSLEY: That is as I understand the hon. gentleman's argument. That argument leaves out of account the words which I skipped as I read the section, which were these:

> . . . which are not required for the purposes of sections 4 and 5 of this act and for the current operations of the said board. . . .

Therefore the power which is given in that connection is limited and cut down by the words "which are not required for the purposes of sections 4 and 5 of this act." The government cannot use any part of that billion dollars which is required for the purposes of sections 4 and 5 of the bill. Therefore I have to take out of that billion dollars, first of all, the $700,000,000. I have to apply sterling to that $700,000,000 first, before I take this billion dollars to purchase sterling.

Mr. HANSON (York-Sunbury): Of course it is not imperative upon the government to act under either section 4 or section 5. Perhaps the minister is on sound ground when he says he can take only the balance. But supposing they only take part of what is provided under sections 4 and 5; there is nothing imperative on the minister to repatriate any of these securities. It may be good policy, and I have no doubt the minister will do it, but I am objecting to the way in which the scheme is drawn up. In drafting these measures why do you not appropriate first? You have put this in reverse. Why do you not appropriate the $700,000,000 first, then so much for repatriation, and say that the remainder shall be used in a certain way? I am asking this for information: is it quite clear that there is a billion dollars plus the $700,000,000 altogether?

Mr. ILSLEY: Certainly.

Mr. HANSON (York-Sunbury): And the $295,000,000?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): Then the whole thing would come to almost two billion dollars on that basis, would it not? That is what it would amount to, if you add the three amounts together?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): I am trying to clarify the situation. A billion dollars is provided for in section 3, subsection 1. Then subsection 3 says:

> The minister may acquire from the foreign exchange control board all sterling balances held by the said board at the date of the commencement of this act, which are not required for the purposes of sections 4 and 5. . . .

Is it clear that before he can take those sterling balances held by the board, he must provide for the $700,000,000? The $700,000,000 is in addition to the billion dollars, is it not?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): So that makes $1,700 million, and in addition there is the $295,000,000, for repatriation. Those are to be paid out of the consolidated revenue fund, subject to the proviso in the last part of section 5, subsection 1. I suppose I am stupid, but I just cannot see how much is going into the gift, when you take out the sterling.

Mr. MICHAUD: A billion dollars.

Mr. HANSON (York-Sunbury): Well, it will be only part of the billion dollars; something has to be taken out for sterling already acquired for this account overseas. The $700,000,000 visualized in section 4 is over and above the billion dollars; I think that is quite clear, and that is what the minister stated in his opening speech. Then it is the remainder of the sterling balance, after the $700,000,000, that may be paid under section 3, subsection 3.

Mr. ILSLEY: And the $295,000,000 in securities.

Mr. HANSON (York-Sunbury): What is the position in dollars and cents? Perhaps that will illustrate it. How much sterling does the foreign exchange control board hold to-day, and is it likely to be increased during the period of this law? We will put it in that way.

Mr. ILSLEY: The board now has, I believe, $1,087,000,000 of sterling. That sterling will be retired, as I have said, by the proceeds of the $700,000,000 loan. That will retire $700,000,000 of it. The securities will have a value of about $295,000,000. That makes $995,000,000 of it. The balance will be retired out of the gift.

Mr. HANSON (York-Sunbury): That will be seventy or eighty million?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): Will that be frozen at that figure; will there be any more accumulated by the foreign exchange control board which will be payable out of the billion dollars?

Mr. ILSLEY: No; not in the way in which it has been done in the past, at least, because there will be no occasion for it. The dollars will be supplied by the gift.

Mr. HANSON (York-Sunbury): To the extent of the gift?

Mr. ILSLEY: Exactly. It will not be necessary for us to furnish dollars by the purchase of sterling. We will furnish dollars without purchasing sterling.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. TRIPP: Will foodstuffs include wheat?

Mr. ILSLEY: That matter would come under section 3 and we are still on section 1. I think we should confine our discussion to this section, and perhaps the hon. gentleman will renew his question when we reach section 3.

Mr. ISNOR: When we rose at 6 o'clock the leader of the opposition was inquiring from the Minister of Finance as to whether this bill involved an amount of two billion dollars, or whether it covered an amount of one billion dollars. I think the Minister of Finance should clear up this misunderstanding which I believe exists, not only in the mind of the leader of the opposition but in the minds of a great many people throughout the country. I think he would be paying a tribute to the people of Canada if he explained that this was a gift outright to Great Britain of one billion dollars. As I understand the financial background, by March 31, 1943, Great Britain will owe something like $2,500,000,000 for food, munitions and general supplies. Great Britain owed Canada $1,500,000,000, which has been paid with securities and cash, leaving an outstanding balance of $1,000,000,000. That is the picture as I see it. I believe there is confusion because of the manner in which the resolution was framed. In one part it refers to the gift of $1,000,000,000 which is a generous gesture, not

on the part of the government but on the part of the people of Canada, as stated by the hon. member for Davenport.

Mr. ILSLEY: The gift is $1,000,000,000, no more. The indebtedness of Great Britain to Canada, if sterling may be considered an indebtedness—and in one sense it is—up to the present is $1,087,000,000, as I said this afternoon. That indebtedness is not being cancelled except to the extent—this afternoon I said $70,000,000 or $80,000,000, but it may be $90,000,000—of $90,000,000 which will be subtracted from the $1,000,000,000 gift, so that the total gift will be just $1,000,000,000. This $700,000,000 is not an additional gift, any more than the $295,000,000 representing securities.

Mr. HANSON (York-Sunbury): They are converted.

Mr. ILSLEY: You are merely converting $700,000,000 of sterling indebtedness into a dollar indebtedness; and as regards the $295,000,000 more of sterling indebtedness, you are getting that paid by repatriating $295,000,000 worth of dominion and Canadian National Railways securities in Great Britain. The difference between $995,000,000 and $1,087,000,000 is $92,000,000, which will be represented by sterling in our hands. That sterling we return to Great Britain against the gift, charging it to the gift or subtracting that amount from the gift.

Mr. HANSON (York-Sunbury): It is a cancellation to that extent.

Mr. ILSLEY: It is a cancellation to that extent, but it does not increase or decrease the gift; it simply means that the period which the gift covers began earlier this month instead of at the present time. It will run probably until early in 1943, and when the gift is exhausted it will remain to be determined what we shall do then. We may begin accumulating sterling, but that is a matter for later consideration.

Mr. HANSON (York-Sunbury): How much of this billion dollars is it estimated will come back to the public treasury in taxation?

Mr. ILSLEY: No estimate has been made of that, and I do not think it would be possible to make one.

Mr. MacNICOL: What will the government do with the securities that are to be repatriated? Will they be kept in the government treasury or sold on the market?

Mr. ILSLEY: The securities will not be put on the market. I think the securities of the Canadian National Railways will be held by the government as a charge against the property of the system. The Dominion of Canada securities would be in our hands; we would owe ourselves.

Mr. HANSON (York-Sunbury): The dominion securities would be cancelled, but the Canadian National securities would be held by the government as a charge against the railways.

Mr. ILSLEY: Right.

Mr. HANSON (York-Sunbury): At par exchange or $4.45?

Mr. ILSLEY: I do not understand that.

Mr. HANSON (York-Sunbury): You are buying them back at $4.45; are you going to charge them against the railway at that rate?

Mr. ISNOR: As I understand it, the rate of $4.45 does not enter into the picture at all; it is the net cost or purchase price.

Mr. HANSON (York-Sunbury): When the railway comes to pay for the securities are you going to charge the full value, the cost to the government, or are you going to make a profit?

Mr. ILSLEY: No.

Mr. MacNICOL: What is the actual market value of the Canadian National securities that are to be repatriated? I know they are guaranteed by the government, but what is the real value of these securities?

Mr. ILSLEY: It varies with the security. Does the hon. gentleman want to know whether it will be 90, 95 or 96?

Mr. MacNICOL: Yes.

Mr. ILSLEY: There are many issues of these securities and I have not a list before me. They are vested in the British government at the market price and we take them over from the British government at that price, plus interest for the time they are in the hands of the British government.

Mr. REID: I understand that in our debt structure are some old borrowings bearing interest at 3½ per cent, dating back many years and running twenty, thirty and forty years. These are payable in London, and I wonder whether some of them are being liquidated under this plan.

Mr. ILSLEY: Everything in the hands of residents of the United Kingdom is being repatriated; that is, dominion securities and Canadian National Railways securities. Those would be all kinds of Canadian National Railways guaranteed and unguaranteed securities, in the hands of the British public.

Mr. REID: These were not Canadian National Railways securities. These were borrowings which took place thirty or forty years ago, for which we have been paying 3½ per cent interest. They were not Canadian National Railways securities, and I am wondering whether they will be liquidated in this amount. They were borrowings by the dominion government.

Mr. ILSLEY: They are all being repatriated. All Canadian government and Canadian National Railways securities are being repatriated.

Mr. JACKMAN: Are those securities which we are repatriating dollar pay or sterling pay?

Mr. ILSLEY: They are both sterling and dollar—part of one and part of the other.

Mr. JACKMAN: Did the minister answer the question of the leader of the opposition with respect to the difference between $4.86⅔ and the amount mentioned here? This is an obligation on the debtor's books, in one instance on those of the Dominion of Canada and in the other, on those of the Canadian National Railways. The repurchase price is $4.45. Where does the difference of 10 per cent come in? Do we set it up as a profit? If we forget the gift end of the matter, there is really a profit on the transaction. When we became obligated the debt stood at a rate of $4.86⅔, and the rate here indicated is $4.45. With respect to the Canadian National Railways obligations there is a distinct profit of about 42 cents per pound sterling. We retire for $4.45 a debt for which we obligated ourselves to the extent of $4.86⅔.

Mr. ILSLEY: I do not know whether I understand the hon. member's question. Let me laboriously outline the transaction. As I understand it, at some earlier time the Canadian National Railways borrowed a number of pounds from persons in the United Kingdom. They owe that number of pounds back.

Mr. JACKMAN: That refers to sterling securities.

Mr. ILSLEY: Is that not what the hon. member is talking about?

Mr. JACKMAN: Dollar securities.

Mr. ILSLEY: Is the hon. member talking about sterling securities?

Mr. JACKMAN: I asked first whether the obligations we were retiring were sterling pay or dollar pay. The minister replied that there were some of each. If the Canadian National Railways have dollar obligations which they had incurred at $4.86⅔ and which they are now retiring at $4.45, obviously there is a profit of nearly 10 per cent.

Mr. ILSLEY: If the Canadian National Railways borrowed dollars in the old country, they got so many dollars, and they owe so many dollars in return, do they not? How does the question of exchange enter into the transaction at all?

Mr. JACKMAN: When we borrowed dollars from the old country they undoubtedly would stipulate that we pay them either in dollars or in sterling—and from their point of view, at that time it would be preferably in sterling.

Mr. ILSLEY: I started to talk about sterling, and the hon. member switched me to dollar pay. Let us take the dollar pay securities first.

Mr. JACKMAN: In dollar pay it would clear out; but in sterling pay it will be easier for us to do it now at $4.45 than at $4.86⅔. Therefore there is a profit.

Mr. ILSLEY: That is what I was trying to analyse. Under sterling pay the Canadian National Railways would borrow so many pounds sterling, at some earlier date. That pound sterling when received by them, they probably converted into dollars, getting $4.86⅔ for each pound sterling. That would give them more dollars than they would be able to get to-day for that number of pounds sterling. But to-day they simply have to pay back their obligation in respect of so many pounds sterling.

Mr. JACKMAN: But we keep our books in dollars. The sterling obligation stands on the books of the Canadian National Railways at $4.86⅔ to every pound we owe. Now we are paying it back at $4.45; so obviously there is a profit of about 42 cents.

Mr. ILSLEY: That is right. The Canadian National Railways require fewer dollars to buy the number of pounds required than they got per pound for the sterling which they borrowed some years ago. The railways make a profit there.

Mr. HANSON (York-Sunbury): That is a fair answer. But let me understand it. Government funds buy the sterling in the first place; we have advanced the money. You get your sterling against the loan to the British government. Then you make a bookkeeping entry and lend the money to the Canadian National Railways against these securities, do you not? Do they get these securities, or do you hold them?

In any event the point is that the railways will make a profit on the repatriation out of the public treasury. That is the core of the whole thing, is it not? I do not know that I just understand the mechanics of the transaction. It would be my understanding that the British government have assembled these securities in London from their own nationals, under a vesting order. We have an adverse balance. This is deposited in London banks to take care of the adverse balance. It is in sterling, over there in the banks. The government buys back, and pays out of the sterling accumulated over there. The government gets the securities in the first place, but really for the account of the national railways to whom we lend the money to take up these securities. They eventually get them at $4.45. That is the transaction, is it not?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): And they get the profit?

Mr. ILSLEY: Yes.

Mr. ROSS (St. Paul's): Do we buy them from the British government at the market price? We will say we have a 5 per cent issue which is standing to-day at 110, or we may have a 4 per cent standing at 104, or something like that. I am just using rough figures. Do we pay the British government 110 for the securities they hold, on the basis of $4.45 exchange? Is that the idea of the transaction?

Mr. ILSLEY: We buy the securities at the market price, whatever that was, on January 26, and use the sterling we have to pay for them. The transactions the hon. member is talking about are the transactions between the government and the Canadian National Railways.

Section agreed to.

On section 2—Interpretation.

Mr. HANSON (York-Sunbury): What is the meaning of section 2 (a) (ii)? This has reference to the long list of scheduled companies owned by the Canadian National Railways? The list appears in the revised statutes.

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): Some of those are held over there, are they?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): Can the minister tell us what the allocation is, so that we will know what we are buying?

Mr. ILSLEY: It is a long list.

Mr. HANSON (York-Sunbury): It is not absolutely necessary that I should have it. The minister might let me have a memorandum of it; I do not wish to have it on the record.

Mr. ILSLEY: They are securities of the Canadian National Railways, the Grand Trunk railway system, the Great Western—

Mr. HANSON (York-Sunbury): All subsidiary companies.

Mr. ILSLEY:—and the Grand Trunk Pacific railway, the Grand Trunk Western, the St. John and Quebec, the Canadian Northern Ontario railway, the Canadian Northern Quebec railway, the Canadian Northern railway, the Quebec and Lake St. John, the Northern railway and other subsidiaries.

Mr. HANSON (York-Sunbury): With regard to Quebec and Lake St. John, they were to be taken over, except a part, by the dominion under arrangements which the province of New Brunswick made in the early thirties. They are, I believe, guaranteed in full by New Brunswick. Will the government still hold New Brunswick to that guarantee? It does not alter the transaction in that respect.

Mr. ILSLEY: The securities will remain alive.

Mr. HANSON (York-Sunbury): The effect will be the same?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): Is there any distinction between the companies referred to in section 2(a) (ii) and 2(a) (iv)? There must be a reason. I do not understand. I tried to puzzle that out from the statutes this afternoon before I came downstairs. The Canadian National Railways Act, section 2, paragraph (e) referred to in section 2(a) (iv) of this bill, gives a definition of Canadian National Railways. Is this an extension of the definition referred to in 2(a) and 2(a) (ii), or are they the same?

Mr. ILSLEY: The question is, whether any companies have been declared by the governor in council to be comprised in a system that is not included in the schedule?

Mr. HANSON (York-Sunbury): That is really the effect of the question.

Mr. ILSLEY: I have not that information.

Mr. HANSON (York-Sunbury): Well, I would not hold up the bill. The question is not important.

Mr. MacNICOL: May I ask a question with reference to paragraph (b) of section 2, which reads:

(b) "Dominion of Canada securities" means stocks, securities, or obligations of, or guaranteed either as to interest or as to principal and interest, by the Dominion of Canada.

What are the stocks, if any, other than those that are of the Canadian National Railways or any subsidiaries of the Canadian National Railways.

Mr. ILSLEY: Montreal harbour bonds and New Westminster bonds. Those are the only ones that are neither securities of the government nor securities of the railways.

Mr. MacNICOL: The ones the minister has just mentioned are securities of the government then?

Mr. ILSLEY: Those two types of securities I have mentioned are guaranteed by the Dominion of Canada. I thought that was what the hon. gentleman asked—if there were any issued by other than railways which are guaranteed by the dominion government. Those are the ones I mentioned.

Mr. ROSS (St. Paul's): What is meant by paragraph (e):

(e) "sterling balances" means deposits in pounds sterling in banks in the United Kingdom.

What deposits are meant? Deposits by whom?

Mr. ILSLEY: They are deposits to the credit of the foreign exchange control board or of the government of Canada in banks of the United Kingdom payable in sterling.

Mr. ROSS (St. Paul's): For instance, there are some companies which have deposits in banks in the sterling bloc; but in certain cases the deposit is frozen; in other cases the only thing they can do with it is invest it in British securities. Does it mean those balances which are now controlled by the British government?

Mr. ILSLEY: No.

Mr. HAZEN: Also in connection with section 2 (e), is the definition complete enough?

(e) "sterling balances" means deposits in pounds sterling in banks in the United Kingdom.

The minister just said that these were deposits to the credit of either the dominion government or the foreign exchange control board. Should it not say so in the definition?

[Mr. Ilsley.]

Mr. ILSLEY: I do not think so. Wherever it is used in the bill, that point is made clear.

Mr. HAZEN: Is it clear in the bill? I have not gone all through it.

Mr. ILSLEY: I have not run through the bill critically, but in section 3, subsection 3, reference is made to "sterling balances held by the said board", and in subsection 4 reference is made to "the amount of sterling balances required for the current operations of the foreign exchange control board". That last does not quite cover the point, but subsection 3 does. It is a typical use of the expression.

Section agreed to.

On section 3—Minister may pay for the account of the government of the United Kingdom, $1,000,000,000.

Mr. HANSON (York-Sunbury): In lines 36 and 37, section 3 reads:

The minister may, subject to regulations to be made by the governor in council with reference thereto. . . .

What are the nature and scope of the proposed regulations? Will the minister read them?

Mr. ILSLEY: Under section 3, subsection 2:

Payments or advances may be made under subsection 1 of this section from time to time upon the minister being satisfied that the amount thereof is necessary to make the said purchases and defray the said expenses.

The character of the evidence which will be regarded as necessary to satisfy the minister and, probably, procedure of one kind and another which one cannot just visualize now, will have to be laid down. It will have to be laid down by regulation. Therefore the payment of this is authorized subject to regulations to be made by the governor in council.

Mr. HANSON (York-Sunbury): In other words, the legislation merely lays down an enabling provision and leaves it to the governor in council to operate it in any way they like, subject to the succeeding clauses, which stipulate the purposes only of the bill. We ought to have these regulations in the bill rather than leave it to the governor in council. Of course it is now an old policy with this government to do everything by order in council. I think this ought to be in the bill, and those who are drafting the legislation should be prepared to tell us what the regulations are to be, their scope, and how the mechanics are to be operated.

I object to the principle of doing things by order in council. We have not objected enough. It may be that this is a war measure; it may be that the government think they

could have done the whole thing by order in council under the War Measures Act. I do not agree, but they have been good enough to bring down a bill, which of course is very much better than the way in which they handled the summer-fallow last year, by estimate and regulation. After all, however, this leaves power in the hands of the governor in council to legislate, and the principle is objectionable. Having registered that protest I will say no more about it.

Mr. MacNICOL: I want to see if I have a clear understanding of section 3. Let us assume that the bill has passed and that the British government now have a credit of one billion dollars in Canada. As they order any of the items mentioned in the section—tanks, guns and so on—they determine how much they want of each item, and whatever they determine they need, our government buys for them in Canada, making a free gift of the whole to the British government. Am I clear in that?

Mr. HANSON (York-Sunbury): That is not clear from the legislation.

Mr. ILSLEY: I do not like to say yes unless I understand fully what the question is.

Mr. MacNICOL: I will try to put it a little more clearly.

Mr. ILSLEY: The hon. member was pretty clear and I will try to deal with the question. The United Kingdom will continue, I anticipate, to order goods from Canada in the future as they have done in the past, and in some instances it may be that the goods will be bought by the dominion and given without a price being attached to them other than the price which was paid by the dominion government.

Mr. MacNICOL: What goods you buy you will buy on request orders from the British government?

Mr. ILSLEY: Yes. In other instances, though I cannot say that this is what will be done, I expect that the United Kingdom would themselves set the price in agreement with agencies of the dominion government, or the dominion government itself selling Canadian goods to the United Kingdom, except that no money would be collected for them. Some commodity would be sold at so much a unit and would be charged to the gift. It would be necessary to know the amount of the gift in order to determine when the period of the gift was exhausted.

Mr. MacNICOL: For instance, if the British government sends an order to the dominoin government, or through its agencies here, for, say 4·7 inch guns, one of the items mentioned, when these guns are shipped the price is charged against the credit of one billion dollars.

Mr. ILSLEY: Yes, that is right.

Mr. MacNICOL: What I am trying to get clear is this. It is a billion dollars of a free gift in goods?

Mr. ILSLEY: Yes.

Mr. MacNICOL: To help the British government fight the war.

Mr. ILSLEY: That is correct.

Mr. TUSTIN: Is the British government going to set the price on the goods?

Mr. ILSLEY: In agreement, I said, with the agency of the dominion government selling the goods.

Mr. STIRLING: They will do what they have been doing up to now.

Mr. ILSLEY: Exactly.

Mr. HANSON (York-Sunbury): The British government will hardly look a gift horse in the mouth and ask what price tag you are putting on this machine or that.

Mr. ILSLEY: I do not want any such idea to get abroad.

Mr. HANSON (York-Sunbury): The minister's explanation is susceptible of that construction.

Mr. ILSLEY: I do not expect the dominion government to put two prices on anything.

Mr. HANSON (York-Sunbury): I did not suggest that. I said they would not look a gift horse, a free gift, in the mouth, and ask what price tag you were putting on anything in using up the billion dollars. I would not think they would, when they are getting it free, and I did not suggest that there would be two prices. What I think the government ought to do would be to charge against the billion dollar appropriation, the actual, proper cost of the goods in question, delivered to Britain. That is what I hope will be done, and it will be a gift in kind from the Canadian people to Britain. That is what ought to be done.

Mr. ILSLEY: That sounds simpler than it is. There are some articles as to which the cost cannot be ascertained.

Mr. HANSON (York-Sunbury): Until completed.

Mr. ILSLEY: We anticipate that the transactions will go on just as they have done before. These are to be business transactions,

the same as if we were seller and they were buyer; otherwise the transaction has no meaning. It makes a big difference with regard to the terminating date of the transaction.

Mr. HANSON (York-Sunbury): I agree with that, but that is another matter.

Mr. ILSLEY: It makes a big difference if either party is to be loose about price.

Mr. TUSTIN: In the same paragraph reference is made to foodstuffs. In the past year or two there have been agreements between the dominion and British governments in regard to bacon and cheese, and the price that has been paid to the producer in Canada has been considerably above that paid by the British government. Is the same kind of agreement going to enter into this billion dollar transaction?

Mr. ILSLEY: That is not correct. The price that has been paid for bacon is the price received by the British government. There was a bonus for a time but there is no longer any bonus. The price for bacon is 100 shillings per hundredweight, obtained from the United Kingdom and paid to the Canadian producer.

Mr. COLDWELL: Does that policy apply to wheat as well as to bacon and cheese?

Mr. ILSLEY: Does what apply?

Mr. COLDWELL: Is the price paid by Britain that which has been credited to the farmer by the wheat board.

Mr. ILSLEY: Absolutely; there is no doubt about that. The wheat board cannot do anything else.

Mr. COLDWELL: The wheat board is receiving only the price the farmers get?

Mr. ILSLEY: The wheat board sells the wheat for a certain price, and that price is dealt with in accordance with the provisions of the wheat board act. The wheat board could not do anything else; they could not subtract any part of it.

Mr. COLDWELL: There is a belief that the British government has been paying considerably more than the Fort William price of wheat, through the Canadian wheat board, and I am asking the question because of the manner in which another question was put by the hon. member for Prince Edward-Lennox, who inquired about bacon and hogs. I was wondering whether the same policy carried right through.

Mr. ILSLEY: In regard to wheat, the whole practice of pooling must be considered. I do not want to say anything that may prove to be inaccurate, but I would certainly be greatly surprised if the wheat board had any profit on wheat. It may be that the wheat board would make some sales of wheat which would be higher than the initial price for that particular period. But if so, that goes into the board's operations against other losses on wheat. The question which year this wheat is sold in is material in determining whether there is a profit or a loss on a particular year's wheat. There has been a well recognized and established practice since about 1935 or 1936 by which the sales are considered to be out of the year in proportion to the holdings of the wheat at the beginning of the year.

But I do not know that that gets us very far ahead. The wheat board sells the wheat and takes the purchase price into its books. When the time comes when they can settle for a particular year they do so, and the farmers who produced the wheat in that year, if there is a profit on that year's wheat, collect money under their participation certificates. If there is a loss on that year, they do not get any money. There have not been many profits in recent years.

Mr. QUELCH: Would the minister say a few words regarding the general principle of this section as it applies to other allied nations? As I understand it, all the allied nations have undertaken an all-out war effort, to fight the enemy wherever he may be, whether on the shores of England, Australia or America. I think I heard the President of the United States say that the allied nations would pool their resources. If that is the situation, there should be no such thing as inter-allied payments; every nation should turn into the pool the total amount of its production for a common effort. Have there been any discussions in that regard? We are making this gift to Britain, and I think all the allied nations should be turning in their total production for the purpose of defeating the enemy, wherever found, without any question of payment.

Mr. ILSLEY: I have not sufficient knowledge of those matters to give an answer which would be of value with regard to that.

Mr. QUELCH: Is this likely to be the beginning of such action on the part of other nations?

Mr. ILSLEY: I would not say it is. The principle which the hon. member suggests is perhaps correct; but from our point of view here in Canada we are anxious to keep producing all we possibly can and producing smoothly and without delay in delivery, and one way by which we can ensure ourselves against delays is to keep in a position to get imports from the United States and be able to pay for them. For that reason we have to think about our

exchange position, our exports to the United States and so on. If we were simply to say we will send the United States anything they want and the United States will send to us anything we want, it might have a prejudicial effect upon deliveries and, indirectly, upon production.

Mr. MacNICOL: It would have.

Mr. ILSLEY: It is not so simple to get great pools and governmental agencies to act just whenever and as they should. Those are matters that require a great deal of arranging. Therefore, pending such time as arrangements are made, we have to go on buying and selling, and that is what we are doing.

Mr. QUELCH: Then, if it is not going to be possible to get the nations to contribute their production on a free basis and we are going to have to go on buying a certain proportion of the production of the United States, in view of the fact that the United States must be just as much interested in winning the war as we are they should be anxious that our production be on as effective a basis as possible. We have been told on several occasions that we are reaching or rapidly approaching our maximum production, on account of the shortage of skilled labour. We have at present, I understand, something in the neighbourhood of 32,000 skilled men, miners and mechanics, employed in the gold-mining industry. It is not helping the United States war effort in the slightest degree to receive that gold at the present time. They may intend to use it after the war, but it is of no use to their war effort now. If it is necessary for us to pay the United States in gold for the goods we are getting to-day, would it not be possible to hypothecate the production of gold in Canada for so many years after the war and release for the present that labour for use in war industry? That would benefit the United States just as much as ourselves. If, after the war, the United States still want that gold, there would be the possibility of putting all that labour to work in the gold mines after the war and providing employment, but for the time being that labour so necessary for the war effort would be released.

Mr. ILSLEY: The question of going out of the gold-mining business in Canada, is a separate one. I do not think it is sufficiently related to this bill to justify us in devoting attention to it now. It is a large question; I would hesitate to make any offhand observations on it, and I would consider it irrelevant to this bill.

Mr. QUELCH: But there is a definite connection. If the United States were turning their goods into the pool as we are, we would not have to turn over gold, and 32,000 men now occupied in mining the gold would be released for war work. Instead of mining it and sending it to be placed in the vaults at Fort Knox, the gold could remain where it is for the time being and that labour be released. Surely the minister is prepared to say why it is considered necessary to mine gold at a time like this. I understand that Russia has stopped the mining of gold for the duration of the war. I am not sure as to that, but I read it in the paper the other day. When we are trying to make an all-out war effort surely we should not carry on a non-essential industry. If the minister is not prepared to make a statement now, I hope that at some time during the session he will be prepared to justify the carrying on of the gold-mining industry.

Mr. MacNICOL: The minister said something a short time ago about the British being consulted about or agreeing to the prices we arrange for the goods we ship to the old country and charge up to the billion dollar credit. Suppose we ship to Great Britain one hundred tanks and, to use an arbitrary figure, charge $50,000 each. The British government might say that price is too high, or they might say it is too low. I want to feel assured that the government will not pay for the tanks a dollar more than they have to pay.

Mr. ILSLEY: Correct.

Mr. MacNICOL: If they did, it would not be a business transaction.

Mr. ILSLEY: That is correct.

Mr. MacNICOL: They will buy as cheaply as they can, and they will charge against the billion dollars as low a price as they buy the tanks at.

Mr. ILSLEY: I do not know just what the course of business is, but I think in the purchase of the tanks the British government gets the Department of Munitions and Supply to produce or buy the tanks, and they get them as cheaply as they can.

Mr. MacNICOL: The British government buy as cheaply as they can.

Mr. ILSLEY: Yes; I am pretty sure they do, and the Department of Munitions and Supply would get them made as cheaply as possible. They would make a business transaction with the people who produce them. And that will continue. It would make this

thing ridiculous if we let the existence of this gift change the business practice that now prevails in the setting of prices and supplying of goods.

Mr. HANSON (York-Sunbury): There is a change in law, because heretofore the Minister of Munitions and Supply has been merely the agent of the British government, and now he will be acting for our own government. Certainly there is a legal difference.

Mr. ILSLEY: I do not think so. He will continue to be the agent.

Mr. PERLEY: Coming back to the question of foodstuffs, I think the minister will agree that wheat comes under that category, and I think it should be included in this clause. The government have been supplying bacon, cheese and other commodities at agreed prices and, I think, financing the purchases for the British government. We have every reason to believe that in recent months, according to the monthly reports of the minister, wheat has been offered at St. Lawrence ports at considerably over 90 cents a bushel, and no doubt a good deal of it has been sold at that figure. I do not see why the government could not include wheat in this clause, since this really is to be a gift; and the government could finance the British purchases of wheat, as they finance purchases of other foodstuffs.

Mr. ILSLEY: The dominion government is not financing the purchase of foodstuffs in any other sense than this, that they are providing the United Kingdom with dollars with which to make their purchases generally in Canada, by buying sterling; that is all.

Mr. PERLEY: Is that not practically the same thing?

Mr. ILSLEY: No; it is not financing in one sense at all.

Mr. PERLEY: Then what is the meaning of the word "foodstuffs" in this bill?

Mr. ILSLEY: "Foodstuffs" includes wheat, of course. I thought the hon. gentleman was saying it should include wheat.

Mr. PERLEY: I say it should.

Mr. ILSLEY: It does include wheat. The hon. member for Assiniboia (Mr. Tripp) brought up that question half an hour ago; he said he wanted to know if it included wheat, and I asked that he should let it go until we came to section 3. There is no necessity to add anything to the word "foodstuffs".

Mr. REID: Are there any Canadian National securities, or other Canadian securities, held in Eire? If so, would Eire be in a position to unload them on Great Britain, so that we in turn would repatriate them under this scheme?

Mr. ILSLEY: The British government has not power to take securities away from the residents of Eire and vest them with the British government.

Mr. REID: But suppose the residents of Eire wanted to do it voluntarily. In this bill you designate Great Britain and Northern Ireland. My question is whether those people in Eire holding Canadian securities could unload them on Great Britain, so that under this arrangement we in turn would repatriate them.

Mr. ILSLEY: That is a question for the British government, I think; but in all probability the British government would not allow the importation of securities from Eire into the United Kingdom, since this would necessitate the export of British capital to Eire in return for the securities. Certainly that would not be permitted by the foreign exchange control authorities in Britain.

Mr. REID: But Eire may have debts owing to Great Britain, and one way of paying those debts would be by Canadian National or other Canadian securities, which we in turn might repatriate.

Mr. ILSLEY: I am afraid I cannot add anything to what I said. I do not know whether such transactions, even if possible, would be very probable.

Mr. REID: It would be interesting to know.

Mr. ILSLEY: I am not at all sure that they would be prejudicial to us; we would be getting back our securities, anyway. I would have to think about that, to see whether there would be any harm in it.

Mr. JACKMAN: It is not the intention, as I understand, for us to interfere with ordinary business practice between the two countries; yet one cannot help but feel that the man who pays the piper usually calls the tune. Is there likely to be any disposition on the part of our government, acting through the Minister of Finance in this case, in authorizing advances or payments for British account, to dictate or suggest to the British government the type of goods or material they shall buy in this country, or is this a straight gift?

Mr. ILSLEY: It is a straight gift, without strings. This arrangement is in pursuance of our policy announced a long time ago and concurred in by everyone, to supply the

United Kingdom with all that the United Kingdom requires for the purpose of carrying on the war. If we interjected a commercial motive into it at this stage, it would be inconsistent with the whole spirit of this transaction and the whole spirit of our policy for some time past.

Mr. JACKMAN: It is not a commercial motive; but if we wanted to send tanks instead of aeroplanes, it would not be our intention to dictate to them what they should order from Canada so far as the spending of this billion dollars is concerned? It will be left exactly as it is now?

Mr. ILSLEY: We certainly would not dictate. On the other hand, of course, there is no doubt that our defence authorities would have views as to what ought to remain in Canada and what should go to the United Kingdom. They at least would be as entitled to those views as the United Kingdom government would be entitled to their views. But I think that is a different matter from what the hon. gentleman has in mind. That is not a case of dictating; it is a case of expressing an opinion as to where rifles should go, or where tanks or aeroplanes should go. If we needed them for the west coast, for example, perhaps we would not send them to Great Britain, or perhaps we would; I do not know. We would have views on that, however, and would not feel obligated to abandon our views.

Mr. HANSON (York-Sunbury): Having regard to the experience of the past year in sending goods to Britain for which we hold certain sterling balances, which are now to be funded, how much of this billion dollars shall we have to send to the United States for materials entering into the manufacture of the goods we are giving to Britain? How much of the money is going to be lost to Canada in the sense that we have to buy from outside this country?

Mr. ILSLEY: No estimate of that has been made. If half of this money were spent for foodstuffs, that half would all be spent in Canada; there would be practically nothing imported from the United States in the line of foodstuffs. The same would apply to minerals, mined in Canada, though there might be something there in connection with imported machinery or something like that.

Mr. HANSON (York-Sunbury): I am talking about tanks and aeroplanes, in connection with which we have to import large quantities of goods.

Mr. ILSLEY: Yes. We cannot tell. If we were to take one particular commodity or article, such as tanks or aeroplanes, an estimate could be made.

Mr. HANSON (York-Sunbury): None has been made?

Mr. ILSLEY: Perhaps my colleague the Minister of Munitions and Supply could tell hon. members what is the United States content of tanks, and what is the Canadian content.

Mr. JACKMAN: Subsection 4 of section 3 deals with the determination of the amount of sterling balances. That is of some importance. If the government should desire to hold many hundreds of millions of pounds worth of sterling, it would, of course, virtually extend the size of the gift. Does the minister care to express any view as to what the foreign exchange control board would want to hold in the way of sterling balances?

Mr. ILSLEY: Perhaps two or three million pounds.

Mr. JACKMAN: Just a nominal amount?

Mr. ILSLEY: Yes.

Mr. JACKMAN: And the date of coming into force of the act has some bearing on it also? I presume you want to bring it into force as soon as possible?

Mr. ILSLEY: Before the Easter recess.

Mr. HAZEN: I should like to call the attention of the minister to subsection 3 of section 3. This reads: "The minister may acquire from the foreign exchange control board all sterling balances," and then at line 10 it reads, "and may pay for the sterling balances so acquired," and so on. In section 4 we find the words "The minister may acquire from the foreign exchange control board", and in line 27 the words, "and pay therefor out of unappropriated moneys." It will be noticed there are two wordings used in those two sentences. We have, "may pay for the sterling balances so acquired," in line 10, and in line 27 we have, "pay therefor out of unappropriated moneys." Then in section 5 it is provided that the minister may purchase and so on, until we come to line 45 where it states, "and may pay for the same out of any unappropriated moneys." There you have another different wording. Had the draftsman of the bill any reason for making these slight changes? After the plebiscite bill had passed this house and was referred to another place, it came back here with a number of technical changes and alterations.

I just happened to notice these slight differences in wording, and I was wondering whether there was any particular reason for them.

Mr. ILSLEY: At the moment I do not see any reason for the difference in wording. I cannot see why you could not say "pay therefor".

Mr. HAZEN: The meaning seems to be about the same.

Mr. ILSLEY: First you have, "may pay for"; then you have, "pay therefor," and then you have, "may pay for."

Mr. HAZEN: The one is, "pay therefor," and the others are, "may pay for."

Mr. ILSLEY: "May" is used twice. I cannot think of any possible danger in leaving it that way.

Section agreed to.

On section 4—Rate of acquisition of sterling balances.

Mr. HANSON (York-Sunbury): Subsection 3 of this section reads:

> The governor in council may fix a date which shall be deemed to be the termination of the war for the purposes of this section.

In all other legislation this is fixed by the provisions of the War Measures Act. If this subsection should carry in its present form, you would have an anomalous position. The war might actually be over, not only *de facto* but *de jure*. I wonder whether that is done on purpose? If so, for what purpose? I would suggest that if it is not in contravention of some fixed principle or policy, there should be uniformity.

Mr. ILSLEY: The hon. gentleman is hardly right in saying that in all legislation the date is fixed by the War Measures Act.

Mr. HANSON (York-Sunbury): I should have said in most legislation.

Mr. ILSLEY: I call to mind the War Exchange Conservation Act which contains a clause giving the governor in council power to proclaim the end of the war for the purposes of that act.

Mr. HANSON (York-Sunbury): That must have escaped me at the time or I would have called attention to it.

Mr. ILSLEY: There is perhaps some objection in relying upon a proclamation under the War Measures Act to fix the date of the termination of the war for other purposes. It may be desirable to continue the War Measures Act until a certain condition ceases to exist in the country. I think the end of the war for the purposes of the War Measures Act was 1920.

Mr. HANSON (York-Sunbury): It is defined in the War Measures Act.

Mr. ILSLEY: It is left to the governor in council to determine for the purposes of that act, and that may be too late or too early for the purposes of this measure. I went through this matter in negotiating with the provinces. The termination of the agreements with the provinces was designed to be the termination of the war, and at first it was thought we should put into these agreements the date fixed under the War Measures Act as the termination of the war. After much discussion and consideration it was decided not to do that, but to provide for a date which might be different from that date. There is no assurance that that date will coincide with the termination of hostilities. In fact, it does not have any relation to the termination of hostilities. If one puts in, "the termination of hostilities," that might prove to be a controversial date. It might be urged by one party to the agreement that hostilities have ended, and by others that some hostilities are still in progress. Therefore, there has to be power vested in some body to make a decision in the matter and fix a date. For our purposes we think this is the way to do it, to leave it to the governor in council to fix a date for the termination of the war for the purposes of the act.

Mr. HANSON (York-Sunbury): That is a convenient thing to do. I have sent out for a copy of the War Measures Act because I have not the text in front of me. I should like to point out to the minister that probably the reason is that when the war ceases under the War Measures Act, the changes in the British North America Act brought about by the War Measures Act, including the control of everything under which we are being regimented, stop immediately. The ordinary principles of the Canadian constitution then become operative, and price ceilings and all the rest of it go by the board. There is no doubt about that, and that may be the reason for this. I do not say it is, but I am pointing that out. These gentlemen who are talking about planned economy after the war had better put on their thinking caps and read a few cases on the constitution. They will then ascertain that after the war is over, there will be no more wartime prices and trade board; there will be no more controllers bobbing up and setting a ceiling on maple syrup to the habitants in the province of Quebec; there will be no more interference with the principles of

the British North America Act with respect to property and civil rights; there will be no more freezing of wages by order in council.

Mr. GILLIS: I hope the hon. member is right, but I am doubtful.

Mr. HANSON (York-Sunbury): I am telling you, and I can give you some cases which you can read for yourself. If we are going to have this planned economy, which the hon. member for Rosetown-Biggar (Mr. Coldwell) talks about, in the post-war days we shall have to have a new constitution in this country. I should like to see him get it, having regard to the fact that you would have to persuade not only this parliament—I am also talking for the benefit of the hon. member for Essex East (Mr. Martin) who, I see is taking down a few notes—but the nine provincial legislatures. I think you will find that is true, because they will not change the British North America Act, over there, on the other side, without the consent of the provinces. They will not take away from the provinces the powers conferred upon them by imperial acts of parliament with respect to property and civil rights, without the consent of the provinces. I will tell you that Quebec will fight it to the limit—and they will be right—because we would have centralized in the central government of Canada too much power. I would be content to see the centralization of currency, credit control and matters of that kind. But with respect to property and civil rights the subject is far safer under the present system than he would be with centralized control. I believe the people of Quebec will agree with me that they will be much safer under the present system than under one of centralized control.

This is a piece of free legal advice I am giving. It will not cost my hon. friends anything. And, if they want me to, I shall cite the cases to back up my opinion.

Mr. COLDWELL: If it does not cost anything, then I imagine from a lawyer's point of view it is not worth much.

Mr. HANSON (York-Sunbury): It cost me a lot to learn.

Mr. COLDWELL: I am not going to argue about the constitution to-night. Constitutions are made for men, not men for constitutions. When the people of this country decide; when all the provinces and the dominion decide that economic and social conditions make the amendment of the constitution necessary, the Dominion of Canada is going to amend her own constitution. Make no mistake about that. That will be done, when the time comes and it is found to be necessary.

Mr. HANSON (York-Sunbury): But with the consent of the provinces.

Mr. COLDWELL: It will be done when it is necessary. Let me say this, that while some people think there is a safeguard in the fact that we are unable to amend our own constitution, and that it has to be amended by the imperial parliament, I am willing to wager that any request which came from Canada by way of a clear majority vote now would be approved by the imperial parliament almost without discussion. They would not wish to interfere with the expressed will of a majority of the Canadian people. That, in my opinion, is the situation as it stands to-day.

I had not intended to say that, but the leader of the opposition provoked me to it. What I did rise to say is that we are dealing with section 4 of the bill, and it appears that under that section a loan of $700,000,000 is to be made to Great Britain, without interest, for the duration of the war. I do not think anyone is going to disapprove the making of the loan under circumstances as they are to-day. But I am going to suggest that in making the loan the whole problem of the repatriation of the remaining securities now outstanding in Great Britain should be gone into, and that they might be regarded as tantamount to collateral against this loan to be dealt with, if you like, at the termination of the war.

I have been thinking a great deal about what was said the other day by the Minister of Finance with respect to the gift, the reasons for it, and the loan. I disagree entirely with the point of view that we should not contemplate repatriation of the remaining securities held in Great Britain, so that we might have them in our own dominion and, as I should like to see them, in the hands of the government, in order that we might have a greater control of industry—and particularly certain monopolistic industries—than we have to-day.

We shall need this when the war is over, if we are going to rehabilitate this country. I believe it would be to the advantage of the people of this country if in the making of such loans we could contemplate in the future that we could recover from any overseas investors the securities they now hold upon industries, and other enterprise, in Canada.

For example, we have the railways problem. I am not in favour of any unification or amalgamation such as has been suggested or of the handing over of our government road to any form of private management. But I do believe that probably the war will thrust upon us, during its progress, a greater measure of control over our whole transportation system.

I should like to see bus and truck services used to feed the railways, instead of to compete with them. I believe that would save both tires and gasoline, and after the war it would assist us in developing a real transportation system.

As I said the other afternoon there are in Great Britain, among other securities, some $596,600,000, par value, of Canadian Pacific Railway stock and debentures. I can see no reason at all why these stocks and bonds should not at least be regarded as collateral against this loan of $700,000,000. I do not subscribe to the point of view that we should endeavour to remain a debtor nation to Great Britain simply because some believe that that would enable us to export goods there in payment of the interest and dividends on our debt beyond the seas. To my mind, carried to its logical conclusion, such an argument implies that the man who owes the most should be the best off, because he would have to pay the most to a creditor, and that would mean that he would have to hand over more and more of the fruits of his labour.

Mr. MacNICOL: May I ask a question?

Mr. COLDWELL: Yes.

Mr. MacNICOL: How would the hon. member take over the several millions of dollars worth of Canadian Pacific Railway securities? They belong to private investors.

Mr. COLDWELL: They belong to private investors, my hon. friend says. But the British government to-day is causing or compelling British investors to hand securities held in Great Britain over to the government when called upon to do so. We are going to repatriate another block of Canadian National bonds which were held by private individuals in Great Britain.

Mr. MacNICOL: We guaranteed them.

Mr. COLDWELL: It does not matter whether we guaranteed them or not. They are in the hands of private investors. They have securities and we have given a guarantee. But that does not place them in any other category, so far as the ownership of the bonds or stock goes in Great Britain; they are or have been privately owned. Everyone holding an overseas security must register it and, if called upon by the government, he must surrender it to the government. That is the well-defined plan or policy Britain has adopted, and Canadian Pacific Railway stocks are no exception.

Naturally the British government will pay the British investor in sterling funds—but that is being done in all cases. Canadian Pacific Railway stock is in no different position. It is up to the British government to make their own arrangements with their own people. It is up to us to make the best arrangements we can for the Canadian people. I am pointing out that with relation to stocks and bonds of this description—we will say securities of International Nickel, and some of the other larger corporations in this country—we are derelict in our duty if, in addition to making a gift of a billion dollars outright, which we have all supported, we make a loan and leave over there securities which might be repatriated to this country eventually, and which would relieve us of the payment of interest and dividends to any investors beyond the seas.

Of course, if these securities are resold in Canada, there may be some slight advantage. If they are resold to investors, we will say, in the United States, then there is little or no advantage in that regard, because you would just be changing one set of creditors in one country for another set of creditors in another country. But I want to emphasize that from my point of view—and I believe I am expressing the point of view of many people in this dominion—in the making of this loan we should proceed—as we are told trades in goods between Great Britain and this country are made—on sound business principles.

I suppose that the British purchaser insists that the goods he buys from Canada shall be bought at prices comparable with those of goods of the same type which he can get elsewhere. I think we should view the loan—not the gift; I make the distinction very clearly—from exactly the same business point of view, and we should as far as possible protect our own country and its future by asking at least that these securities be placed as collateral against this loan, so that, when we come to determine what shall be done at the termination of the war, we may, if it seems advantageous on both sides to do it, be in a position to repatriate bonds and stocks of Canadian corporations for the benefit of this country. I believe that is the business-like point of view to take. I know that if there is one group in the world who—quite properly—enter into transactions on a business-like basis, it is the British business man. I remember Mr. Bennett, when he was leader of the opposition in this house, talking about the imperial conference in 1932 and explaining that the British did not allow sentiment to interfere with their business transactions, even when negotiating empire trade agreements; and we, I think, having made a gift, should see to it, in making the loan, that it is made on a sound and proper business basis to protect this country in the days which follow the war.

Mr. HANSON (York-Sunbury): That just means the hon. gentleman's policy of nationalization of industry in Canada. We may as well face that situation fairly and squarely; and if we have another depression we shall have two railroads on our hands instead of one.

Mr. COLDWELL: I said a little earlier that there is a time and place to discuss the possibilities of nationalization of industry in the Dominion of Canada. This is neither the time nor the place, but if the leader of the opposition wants us to discuss it now, I am quite prepared to enter into a discussion with him, but I do not think this is either the time or the place. But when he says we desire to nationalize all industry in Canada he is saying that which is not correct. We have never suggested that. What we have suggested is that—

Mr. HANSON (York-Sunbury): I did not say, all industry.

Mr. COLDWELL: —the monopolistic industries that are now exploiting the people of Canada and will continue to exploit them in the future ought to be taken over, organized nationally or cooperatively, and used to provide goods and services for the Canadian people instead of profits for those who have invested in them.

Mr. MacNICOL: Mr. Chairman, it is very easy to use those two expressions, "monopolistic" and "exploiting", but I have never been able to get a definition of either the one or the other from my hon. friends to the left.

Some hon. MEMBERS: Order.

Mr. COLDWELL: Probably this discussion is out of order, but I would be very glad to define both terms for the hon. gentleman, although I suggest to him that if he will look up a good dictionary he will find them accurately defined.

Mr. MacNICOL: I know the dictionary meaning. What I want is the hon. member's meaning.

Mr. ILSLEY: The hon. member for Rosetown-Biggar has made, if he will permit me to say so, a pretty good speech, but I just want to say, briefly, this. If we were to insist on the repatriation of private securities we would leave, I think, a justifiable feeling of resentment in Great Britain. The reason is this. Market values are low, or at least they are considerably lower than the holders of them think the securities are really worth, and will be worth later; and for us to take them over at the market value and insist on getting them back under present conditions would be regarded as unduly harsh, and would be, I think, unduly harsh.

With regard to the second proposal, that we stipulate that they be lodged as collateral, I merely want to point out that no part of the British empire, in loaning money to another part of the British empire, has stipulated for collateral securities. I do not think we should start, under conditions such as these. I say that particularly because I am satisfied that the present arrangement is as safe, or virtually as safe, for us as it would be if we asked that these stocks be put up. Of course, if we did it as part of a plan to get partnership in the industries in Canada, that would be understandable—

Mr. COLDWELL: That is what I had in mind.

Mr. ILSLEY: —and it would be a move toward, as the leader of the opposition says, nationalization of certain of our industries. At least, the government would be a partner in those industries and have its directors as members of the boards of those industries. I suppose that the operations of those industries would be brought before parliament, and there would be questions on the orders of the day and so on. If that were considered a desirable thing to do, an important thing to do, a matter of great importance to do, we could, by taking these harsh steps—steps which would be regarded as harsh in the circumstances—undertake to do it. But apart from these considerations, the fact that the United Kingdom has given us an obligation for $700,000,000 and is agreeing that, if any of these securities go abroad, the money which residents of the United Kingdom get for them is to be applied in reduction of our loan, and that, if any of these securities are redeemed, the price for which they are redeemed will be applied in reduction of this loan—

Mr. HANSON (York-Sunbury): That is, the vested securities?

Mr. ILSLEY: No, the un-vested securities; not the government or guaranteed securities, but the others, the ones which the hon. gentleman from Rosetown-Biggar is talking about. But I say, the fact that the United Kingdom is agreeing to all that and that the British government have a rigid and effective control of these securities is good enough, I think, from our point of view.

Mr. COLDWELL: I was not looking at it from just the point of view the minister has expressed at the moment. I wanted to bring this point forward, that in a discussion of this loan there should be an understanding that if we desired to follow this plan when the loan is due and payable, it may be followed. When I referred to collateral I did not mean exactly that; perhaps that might be a little harsh. The minister rather alarms me when he says that we have an undertaking from the British government, that, in respect of securities sold to residents of other countries, the amounts obtained will be credited to this loan. That indicates to me that we ought to do something to prevent these securities from getting into the hands of investors other than in Great Britain or Canada. I do not want to see this country dominated economically by the United States. I do not want any of these securities sold in New York to United States investors. I should like the British government to give some undertaking, perhaps in the form of hypothecation—the suggestion that they be put up as collateral may appear too harsh—that these securities, if moved at all from Great Britain, shall come to Canada and not go to the United States or some other country.

Mr. MARTIN: What about Canadian investments in other countries?

Mr. COLDWELL: If by business arrangement we can relieve ourselves of debt to the United States or any other country, then I believe it is good business to remove that debt and take ourselves out of the debtor class to any country.

Mr. HILL: The hon. member for Rosetown-Biggar is suggesting that we penalize the holders of Canadian securities in England, because this loan is to the people as a whole, and such a method, whereby we would force the holders of Canadian securities in England to bear the entire brunt of the loan, would be penalizing the holders of Canadian securities there. What the hon. gentleman has suggested however is sound, I think, namely, that if these securities are to be sold by English holders, they should be sold to the Canadian government.

Section agreed to.

On section 5—Purchase of securities.

Mr. ROSS (St. Paul's): What are the mechanics of the operation? The national railways are going to buy their own securities, and then they will sell their securities to the government of Canada. Is that it, or how is it to be worked?

Mr. ILSLEY: The transaction is to be this. We buy the securities; then we lend the Canadian National the money with which to redeem the securities, and we retain the securities in the meantime as security for repayment of the loan.

Mr. ROSS (St. Paul's): The Canadian National, as I understand it, are to issue debentures to the Bank of Canada or the government of Canada, as security for the loan. That is subsection 3. What actually is going to happen is this. The government of Canada will buy these securities from the government of Great Britain. Take one of these securities like 5 per cent, 40-year Canadian National 1969, which to-day may stand at a market price of 120. You buy it at that price. At what price will you sell that to the Canadian National? That is the 5 per cent debenture. The Canadian National will issue their debentures at 3 per cent, say, and those debentures will be held by the Bank of Canada. Why should the Canadian National buy their own debentures in, when those debentures could just as well be held by the government of Canada, as they are being held to-day, until maturity. What is the object?

Mr. ILSLEY: The purpose is to substitute a loan from the government to the railways for a loan from the public to the railways. That is the purpose of the whole transaction.

Mr. ROSS (St. Paul's): But it does not seem to me that it does that. What is happening is this. The government are buying the security. Why do they not just hold the security? The government will take that 5 per cent security which they are holding and turn it in for a 3 per cent security which they will take as collateral for a loan from the railways and the railways cancel the 5 per cent security. It is only a matter of bookkeeping. I do not see why the government are going to sell these securities to the railways and not hold them themselves. It does not make sense to me.

Mr. ILSLEY: This is the kind of thing that has been going on, provided for every year by our Canadian National financing acts, and the object of the transaction is as I have stated. I do not know that I can explain the matter further than that. Perhaps it could be taken up in the railway committee.

Mr. ROSS (St. Paul's): What we are doing from year to year is refinancing as far as the railways are concerned in relation to the public, and I see sense in that; but as regards trying to refinance as between the Canadian National and the government of Canada, I do not see any sense in it, because it is taking it out of one pocket and putting it in another. I do not see why you do not take a loan such as the one that goes to 1969 and let it go to maturity. There is no expense connected with it and the whole thing is a matter of bookkeeping. That is all there is to it. I do not see what the object is, and so far no explanation has been given me.

Mr. MacINNIS: In the exchange of securities between the Canadian government and the Canadian National Railways, would the transaction be solely as between the government and the railway company, or would any outside agency enter into the transaction?

Mr. ILSLEY: No outside agency would enter in.

Mr. MacNICOL: Subsection 6 reads:

> The governor in council may make regulations for cancelling and withdrawing from circulation or for reselling any of the Dominion of Canada securities. . . .

Or cancelling Canadian National securities. The latter are dominion government securities. I asked the minister some time ago whether repatriated securities would be resold and I understood him to say no; but this clause provides for reselling them. To whom would they be resold? Why would the government not retain them in their own possession?

Mr. ILSLEY: There might be a small amount of reselling, I am informed. Some of these securities are 3 per cent and they might be just suitable for selling instead of selling our own bonds. But the scope of those operations would be very limited. My former answer was, I think, substantially correct.

Mr. ISNOR: Sold to the Canadian public?

Mr. ILSLEY: Yes, they might be to a small extent.

Mr. MacINNIS: I must confess to being very ignorant of this matter of high finance. I am wondering why, when these securities would be acquired by the Canadian government, they could not be cancelled. Would there be any loss accruing to anyone, or any gain, if they were cancelled?

Mr. ILSLEY: Some of the issues are secured by mortgages, and part of the securities are in the hands of other persons. If we were to cancel our part of the security, it would enhance unduly the value of the securities in the hands of others. That would be one reason. These are secured on all kinds of properties, different lines forming part of the Canadian National system.

Mr. HANSON (York-Sunbury): They could be cancelled only if the debtors supplied the funds to buy their own bonds.

Mr. COLDWELL: The minister said that some few securities might be sold. What type of securities have been sold?

Mr. ILSLEY: Canadian dollar securities of a reasonable term and a low coupon rate.

Section agreed to.

On section 6—Loan authorized.

Mr. HANSELL: Speaking on this measure the other night in the resolution stage, I mentioned the fact that this billion dollar gift to Britain constitutes a billion dollar debt upon the Canadian people. There was some little argument as to how much of this would be obtained by loans and how much by taxation. The minister was not able to tell us, and I quite understand his position because I understand that the money is to come out of the consolidated revenue fund, whatever that is. I have never been able to satisfy myself what it is. Perhaps I think in pictures more than in words and figures, and I picture the consolidated revenue fund as a sort of pot into which all revenues go, and not only revenues but borrowed moneys; and out of that pot go the expenditures.

I realize that perhaps the minister cannot say that we shall raise so much money now for the purpose of this gift. We raise money for the purpose of carrying on the war, and I suppose one cannot say how much of this loan is going to this and how much to that. But the minister will recall that I did mention that the part of it which might be raised by way of loan should be raised without interest. In another section of the bill which has been passed without very much discussion we are to let $700,000,000 of debt go without interest for the duration of the war, which is a commendable thing. Yet here is a debt of $1,000,000,000 being imposed upon the people of Canada, a large proportion of which may involve an interest charge which we as the Canadian people will have to pay. I do not know how alarming it is, but this billion dollar debt amounts to nearly $100 per capita upon the people of Canada. If that is said quickly enough it does not sound so hard, but every one in this house, including the people in the galleries, is going to have levied against him or her at some time or another $100.

Mr. ILSLEY: No.

Mr. HANSELL: Perhaps I am wrong, but the billion dollars has to come from somewhere; whether it comes from taxation, or from debt incurred which will eventually mean taxation, I do not know; but it does figure out at about $100 per capita on all the people of Canada, that they will be called upon to pay either now, next year or a thousand years from now. That is the position. If a proportion of this is going to be raised by way of loan, particularly if any part comes from the Bank of Canada, could that not be lent to the government without interest? That, I believe, is a fair question, and I think considerable progress would be made in the fiscal policy of the country if something like that were brought about.

Mr. ILSLEY: The only way to get a loan without interest is by compulsion, and the whole issue of compulsory loans would have to be faced. Both sides of that question have been argued in other sessions. I have not brought myself to the place where I feel it would be wise to propose a system of compulsory loans in Canada. I do not think anything would be gained by going into that issue now.

But the point I should like to make clear is that the making of a gift to Britain instead of lending the money to Britain does not impose any further obligation on the Canadian people. The gift feature of it does not cost us $100 a head; it is the making of the equipment, the producing and forwarding of the goods that takes so much of the energies and resources of the Canadian people. Whether we give it or sell it or lend it to Great Britain, the effect on the Canadian people is exactly the same.

The other question, whether as part of our general policy we should obtain money by compulsory loans instead of voluntary loans, is an issue which is in no way related to this. This does not make the case any stronger or any weaker for compulsory loans versus voluntary loans. There would be no advantage as far as I can see in charging interest to Great Britain for the $700 million, because it would render their requirements for Canadian dollars that much greater and so exhaust the billion dollar gift that much sooner. And since it will probably be exhausted in the early part of 1943 anyway, it would to a certain extent affect the transaction if we were to do it. I do not think there really would be any advantage to us in shortening that period somewhat by charging interest on this money, which is the only effect it would have.

Mr. HANSELL: Perhaps the minister misunderstood me. I was not proposing that we should or should not charge Great Britain interest; but the fact remains that a portion of this billion dollars will have to be raised by way of loan from our banking institutions.

Mr. ILSLEY: I do not agree with that.

Mr. HANSELL: Well, perhaps; I do not know, but I cannot see how that would not be so. But suppose part of it is raised in that way. I quite understand the minister's objection to compulsory loans; as a matter of fact, in my limited understanding of this whole monetary arrangement I personally do not believe in compulsory loans from the people. I do not believe that would serve the purpose, technically. But I am not suggesting compulsory loans when I suggest that if a portion of this billion dollars should be a fresh creation of credit from the banking institutions, that fresh creation of credit should be made without interest; and we would not be forcing that upon them at all. It seems to me we could do it through our own Bank of Canada, which I think could issue it free of interest. It would be money just the same, but the Canadian people would not be paying interest on part of this money which constitutes this gift to Britain.

Mr. ILSLEY: That just opens the other issue. I thought the hon. gentleman was advocating compulsory loans, but he is advocating the creation of credit. He is advocating financing by borrowing from the Bank of Canada to a greater extent than we are doing.

Mr. HANSELL: Free of interest.

Mr. ILSLEY: That is pretty well the policy of the hon. gentleman's party, as to the way we should be financing. That question is an old issue, which we have debated back and forth for a long time. I think it would be dangerous to go too far along that line and I have repeatedly given my reasons for that belief. It is the equivalent of the issue of currency to finance the war; it is simply saying to the bank, "Write up a credit for us and let us cheque on it." It is exactly the same as though we said to print so many notes, and that is dangerous if carried too far.

Mr. ROSS (St. Paul's): I asked the question I did in connection with the exchange of security because I do not want to see the Dominion of Canada lose money to the advantage of the railways by any such exchange. I should like to point out that to-day the proprietor's equity in the Canadian National Railways, which is interest free as far as the railways are concerned, is over $663,000,000. At the time that transaction took place this note was added at the bottom

of the page, for the definite purpose of showing governments that we could not go on forever exploiting railways here and railways there. The footnote says:

The proprietor's equity is included in the net debt of Canada and is disclosed in the historical record of government assistance to railways as shown in the public accounts of Canada in connection with the Canadian National Railways Capital Revision Act, 1937.

I just wanted to point out that I see no reason why the securities should be exchanged, and certainly I do not want to see the government of Canada put in any worse position for the benefit of the railways. They must stand on their own feet.

Mr. FRASER (Peterborough West): Subsection 2 of section 6 says "The principal raised by way of loan under this act", while subsection 1 says "The governor in council may, in addition to the sums now remaining unborrowed and negotiable", and so on. Does this have to be by way of loan, or will part of it come out of taxes, or out of the general fund? Is it all loan, or part taxes, or what?

Mr. ILSLEY: Section 3 sets out the origin of this billion dollars. It comes from the consolidated revenue fund, and of course from time to time the consolidated revenue fund is replenished by taxes and loans. One cannot say what part of this will be the result of loans and what part will be the result of taxation.

Mr. FRASER: (Peterborough West): That was why I asked the question, because in the one case it says "may" and in the other case it says "raised".

Mr. ILSLEY: That is if any is "raised".

Mr. FRASER (Peterborough West): It does not say that; it just says "raised by loan". It is definite there.

Mr. ILSLEY: It means any principal which may be raised by way of loan under this measure.

Mr. FRASER (Peterborough West): Then will what is raised be a loan from the banks, or from the insurance companies, or from the people? Will it be raised here as a domestic loan, or will it be raised in the United States, or does the minister know?

Mr. ILSLEY: This section simply gives the usual borrowing power to the governor in council, and the borrowing policy of the government will be determined from time to time. The hon. gentleman is familiar with that policy; it is to borrow at about 3 per cent interest, for ten or twelve years—that is the way in which the bulk of the money has been borrowed—and to borrow it from the Canadian public rather than from the banks. That is the backbone of our loan policy, and I have no reason to think that it should change.

Mr. BLACKMORE: A moment ago the question was raised as to the advisability of raising what money must be borrowed through the Bank of Canada, interest free, not so much as a forced loan but as a cooperative loan which the Bank of Canada would make to the dominion because it is the Bank of Canada and because it is the dominion, and because the two of them are serving the Canadian people. The minister did not make any definite pronouncement on the subject. It is a confused question, and one about which there is great diversity of opinion. I just wish to tell the minister now that when the two billion dollar war appropriation bill comes before the house we shall ask him for an explanation why it would not be advisable to raise that money in that way. We are refraining from discussing the matter on this bill because we wish to help the minister get this bill through, in order that some business may be cleared up before the Easter recess. But we do believe it is possible to obtain this money at very low interest rates, and possibly without interest at all, and we think it will be impossible for the minister to show us to the contrary.

There is one more thing it might be well for me to say here. I laid down in my speech on Friday what I think is a safe assumption, that this one billion dollar gift to Britain is going to mean probably $500,000,000 collected from the people of Canada in taxes and $500,000,000 to be borrowed by the government from either the people, the banks or other institutions, and upon which there will be at least 2 per cent interest practically in perpetuity. This will mean the virtual saddling of the Canadian people for ages, at least for generations, with $10,000,000 annually in interest charges. I think I am safe in making this assumption. This is all I have to say at the present time.

Section agreed to.

Mr. ROY: (Translation) Mr. Chairman, I cannot allow the second reading of this bill respecting—

The CHAIRMAN: We are not on the second reading of the bill. The house is in committee.

Bill reported.

Mr. J. SASSEVILLE ROY (Gaspé): (Translation) Mr. Speaker, I cannot allow the third reading of this bill granting to Great Britain the gift of one billion dollars without recording my opposition to such a measure—

Mr. HANSON (York-Sunbury): I rise to a point of order. A debate on the third reading is not in order at this stage because third reading cannot be proceeded with without unanimous consent, and I do not give unanimous consent.

Mr. ILSLEY: It will be the next sitting.

WAR APPROPRIATION

SUPPLEMENTARY PROVISION FOR GRANTING TO HIS MAJESTY AID FOR NATIONAL DEFENCE AND SECURITY

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

Resolved, that it is expedient to introduce a measure to be called the Supplementary 1941 War Appropriation Act to provide *inter alia*,

1. That sums not exceeding $135,000,000 be granted to his majesty in addition to the sums granted by the War Appropriation Act, 1941, towards defraying any expenses or making any advances or loans that may be incurred or granted by or under the authority of the governor in council during the year ending March 31, 1942, for:—

(a) the security, defence, peace, order and welfare of Canada;

(b) the conduct of naval, military and air operations in or beyond Canada;

(c) promoting the continuance of trade, industry and business communications, whether by means of insurance or indemnity against war risk or in any other manner whatsoever; and

(d) the carrying out of any measure deemed necessary or advisable by the governor in council in consequence of the existence of a state of war.

2. That the governor in council be empowered to reexpend, advance or loan moneys that may be received by way of refund or repayment of advances, loans or expenditures under the War Appropriation Act, 1939, the War Appropriation Act, 1940, the War Appropriation Act, 1941, and the Supplementary 1941 War Appropriation Act.

He said: My remarks in moving this resolution will be very short. What I am asking for is $135,000,000 supplementary war appropriation, being money required for the current fiscal year ended March 31. The amount voted by the house about a year ago was $1,300,000,000, and the requirements for war purposes, including provisions for contingencies of $3,268,200, will be $1,435,000,000. The total amounts required for each department making expenditures for war purposes are as follows:

[The Chairman.]

Estimated expenditures by departments to the end of the fiscal year

National defence—		
Army services	$507,757,000	
Naval services	138,771,300	
Air services	414,811,900	
Sundry services	6,716,100	
		$1,068,056,300
Munitions and supply		252,000,000
Other departments—		
Agriculture	$ 32,786,000	
Auditor general's office	169,950	
Civil service commission	242,000	
External affairs	396,900	
Finance	20,226,800	
Fisheries	113,500	
Justice	102,600	
Labour	6,608,750	
Mines and resources	1,044,100	
National harbours board	1,797,600	
National research council	1,350,200	
National revenue	3,300	
National war services	3,543,700	
Pensions and national health	6,073,700	
Post office	645,600	
Privy council office	6,100	
Public archives	2,600	
Public works	4,827,800	
Royal Canadian Mounted Police	3,209,100	
Secretary of state	193,000	
Trade and commerce	81,300	
Transport	4,220,900	
		87,645,500
Chargeable to war expenditure		$1,407,701,800
Chargeable to asset accounts		24,030,000
Total foreseen at this time		$1,431,731,800
Provision for contingencies		3,268,200
		$1,435,000,000

Mr. HANSON (York-Sunbury): Could the minister give us the details of the items already voted? It would be most convenient if it could be done.

Mr. ILSLEY: They must be on *Hansard* of last year.

Mr. HANSON (York-Sunbury): If the minister has not that information here, of course he cannot give it, but I think it should be placed on the record for purposes of comparison in order that we might see the increases in each case.

Mr. ILSLEY: The estimates that I presented last year added up to $1,450,000,000, and the expenditures, so far as we can see now, are less than that; that is, $1,435,000,000. True, the house voted only $1,300,000,000, but the list of proposed expenditures in the estimates last year will show a total slightly greater than this. I presume some depart-

ments will be larger and others smaller, but my recollection is that the information was placed on *Hansard* last year. When I came here with my request for $1,300,000,000 I believed I produced estimates which totalled $1,450,000,000, and those must appear on *Hansard*. I am not going to say anything more except that the usual time for discussion of the supplementary estimates of the expiring fiscal year is not on the measure for voting those supplementary estimates; it is on the appropriation for the estimates for the new year. This discussion would be on the $2,000,000,000 measure that is on the order paper, and it is then that the government would naturally account for what they had done in the year that was past, when they are requesting a vote for the coming year. I am just saying that because if we alter the practice by going into these exhaustively and fully, by bringing in all the ministers one by one, we would be instituting an innovation. In the interests of economy and time I would suggest that the ministers be questioned by hon. members at one time, and that they be asked about the figures I placed on *Hansard* to-night. That has been the practice. It was the practice last year—I am not sure about the year before. Nevertheless the accounting for our stewardship has been given when we have asked for new money.

I am putting these figures on *Hansard* to-night so that hon. members may see them, and because I must make a case for my request for an additional $135,000,000. I am making a prima facie case, but I am suggesting that the discussion in committee ought to be, as it was last year, on the bill for the new year. That is all I have to say.

Mr. HOWARD C. GREEN (Vancouver South): Mr. Speaker, if the suggestion of the minister is followed, namely that there should be no discussion on this measure, the result would be, I fear, that there would be no discussion of Canada's war effort until the house reassembles on April 20. In the present state of the nation, and more particularly in the present peril of the nation, considering what is happening beyond our boundaries, I do not think it is wise that the house should postpone discussion of Canada's war effort for another month. Anything may happen in that time.

Mr. ILSLEY: I am not suggesting that the hon. member postpone his speech on this matter, or that other hon. members postpone their speeches. If possible I should like to get this through before the end of the week. All I am suggesting is that in committee, when the ministers undergo what is virtually an examination by hon. members, that we ought not to go into expenditures of the last year on this bill, but that we ought to go into them on the next one. That does not interfere with the hon. member for Vancouver South or any other hon. member who wishes to make a speech on the bill when Mr. Speaker is in the chair—as I presume the hon. member proposes to do now.

Mr. GREEN: I do not think we should be confined to the making of speeches. My suggestion is that an opportunity should be given to hon. members to discuss across the floor of the chamber those matters having to do with the war effort.

Mr. MARTIN: The minister just said that.

Mr. GREEN: We shall be sitting here for another four days. Surely the whole of that time could be well spent in discussing Canada's war effort.

Mr. MARTIN: The minister said that.

Mr. GREEN: That, of course, depends on the government. I suggest that if the government does not wish to have all the ministers here at one time, it should make arrangements to have one of them here at a time and have his department discussed. Then, when that department has been completed, we could go on to another minister. That might have been done last year, and if it had, our discussions would have been far more easily followed, and far more business-like.

The resolution under debate to-night might be described as a declaration to the effect that it is expedient to introduce a measure to provide an additional $135,000,000 for Canada's war effort during the current year which, as hon. members know, ends in eight days, on March 31, 1942. As the minister has just explained, that will make a total expenditure for war purposes during the current year of about $1,435,000,000. For the year 1942-43 war expenditures are to be over $2,200,000,000, if I understood the minister correctly when he spoke the other night. That is an increase for the coming fiscal year of approximately 50 per cent. In addition there is a billion dollars for aid to Great Britain.

Those are huge sums, but there will be little complaint from the people of Canada. Provided the money is fairly spent and that it is not wasted, they will approve the voting of these sums. To understand the reason for their approval one need only compare the present position with the position last

year. In the twelve months which have intervened the war has become a world war. Russia has come in as an ally of the British nations. Japan has gone in with Germany and Italy. The United States, our great neighbour, has come in with us. So that now it is a case of the united nations against the axis powers, in a struggle to the death. That was well described by General McNaughton when he used these words in Montreal on February 6:

> This is a war in which the whole forces of science have been fixed by the enemy on one purpose alone, and that is our death.

"Our death"—that is the objective of the axis powers. Canadians know these facts and, as I have said, they will approve the raising of these moneys. They also know that beyond our eastern shores the British nations are still the bulwark against a nazi move to the west, and that they are preparing to strike out. They know that over there, in Great Britain, is our own Canadian army ready to go into action at a moment's notice.

On the other side beyond our western shores, our people know that Singapore is now in the hands of the enemy. Java is gone, and we hear Japan threatening our sister dominion of Australia. On March 11 the Japanese premier is reported to have used these words:

> The best and only way for Australia to take was shown by Premier Hideki Tojo when he declared that if the Australian people continued their present attitude "we will show no mercy in crushing them."

Australia is preparing desperately, and at the same time she is warning other nations, including Canada. She is giving a warning, as indicated in these words spoken by the Prime Minister of Australia about ten days ago:

> But I give you this warning. Australia is the last bastion between the west coast of America and the Japanese. If Australia goes, the Americas are wide open. It is said that the Japanese will by-pass Australia, and that they can be met and routed in India. I say to you that the saving of Australia is the saving of America's west coast. If you believe anything to the contrary, then you delude yourselves.

May I repeat those words: "If you believe anything to the contrary, then you delude yourselves."

At this point I urge upon the ministry that they send at least a token force to Australia. Canada is a Pacific nation, a nation on the Pacific. It may be that Canada's best defence on the Pacific will be by fighting in Australia. For that reason alone—for that selfish reason alone, if for no other—we should have troops standing beside the Australian troops. Furthermore we are a sister nation in the British commonwealth. We fought beside the Australians in the last war, and we have a brotherly feeling towards them in this one. Their young airmen have come here to take training. Surely Canada should not hang back. We should send at least a token force to Australia at the earliest possible moment.

Further than that, Australia is asking that a Pacific council be set up with headquarters in Washington; and the minister who came from Australia the other day suggested that Canada should have a member on that council. We have brought forward that suggestion in the house on two or three occasions, but as yet the ministry have not seen fit to act. I urge upon them that they endorse the plea of Australia for the setting up of a Pacific council in Washington, and that Canada ask for representation on that council.

I believe everyone here will agree that the Canadian people see this nation menaced directly at its gates on either ocean. They know and we know that 1942 is the critical year. There is yet no certainty that Canada will survive. I thought the Prime Minister (Mr. Mackenzie King) put it very clearly when, in his radio address eleven or twelve days ago, he said:

> The present is the crucial year. Germany and Japan are staking everything on 1942.

He went on to say—and the house should mark every word of this utterance:

> The survival of every nation is at stake. Now, more than at any other time, the maximum force of the united nations must be brought into action.

No, Mr. Speaker, the Canadian people do not object to the spending of two billion dollars in the next twelve months on the war effort. But—and there is a "but"—it is not enough for the ministry and for this parliament to raise and spend money. The Canadian people are asking—they are demanding, and quite properly so—that this ministry, and this parliament—it is not a matter for the ministry alone—should lead them boldly in waging war. We in the House of Commons are the elected representatives of the people. We cannot evade this responsibility, a responsibility so great and so challenging, because of the nation's peril, that it should be an inspiration to every hon. member.

What can we do to lead the Canadian people in waging war? First of all, I think, comes the attitude of mind. It always seems to me that the mental approach to these questions is of the utmost importance, and I suggest that we in this parliament can help, by the

attitude we have in our minds, by realizing clearly and remembering constantly, not only for an hour now and an hour again, but constantly, that practically every day some young Canadian airman dies to help keep this nation free—that is a thing to be remembered by the members of this house—by realizing that to-day, not next month or next year, the Canadian army overseas may be locked in a death struggle with the nazis in Great Britain or be in the van of an invasion of the continent; by realizing that to-day, not next month, cities, towns and villages of Nova Scotia, New Brunswick, Prince Edward Island, and the St. Lawrence district of Quebec, may be bombed from the air or bombarded from the sea; that to-day or to-morrow Japanese invaders may be on Canada's Pacific coast, in my own province of British Columbia, tying up Canadian prisoners of war and bayoneting them to death, and raping and murdering our women as they did in Hong Kong.

We must realize these things ourselves and convince our people that they, too, must face these ugly facts. Mr. Speaker, the ministry and parliament and the Canadian people must plan and act accordingly. There are many things which can and must be done. Every ounce of our national strength must be directed to waging war. That is not so now, and I propose to give several examples.

First, there has been a great increase in the production and sale of non-war goods. A short time ago very interesting articles appeared under the hand of Grant Dexter, one of the leading members of the press gallery, in which he set out a list of non-war articles and showed how the amount spent on them increased from 1939 to 1941. I propose to give several of his figures in round numbers:

Item	Expended in 1939	Increased expenditure in 1941
Women's dresses, coats and suits.....	$21,750,000	$7,000,000
Men's and boys' clothing and furnishings.	27,100,000	6,500,000
Furniture	12,200,000	5,000,000
Home furnishings.....	15,500,000	5,400,000
Hardware and kitchen utensils	8,000,000	3,000,000

There has been a great increase in production of non-war articles which he sums up in these words:

> Thus we have stepped up the production of musical instruments, furniture, silk stockings, clothing, tobacco, beverages, glassware and heating appliances.

Another distressing aspect of this condition is that it has made a great increase in the number of people producing non-war articles, as he says:

> We have devoted man-power to these purposes. . . . Three hundred and thirty-nine thousand pairs of hands have gone to work since the war began at jobs which have small war significance.

I believe every hon. member knows that these things are going on in his or her constituency. It is a situation which should be checked at once. Action should be taken to direct much of this portion of our national strength to waging war. That would mean a release for war purposes of man and woman power, and of materials, money, and the equipment for manufacturing goods.

Donald Gordon, chairman of the wartime prices and trade board, said much the same thing when he spoke in Montreal late last week. He is quoted in the press as having said:

> We must be prepared to give up all our choices and preferences and accustom ourselves to a standard of living based on bare essentials, for only by so doing can we divert to war the maximum of our productive effort which is the prime requirement for total war.

But direction from the ministry is necessary, and it is not being given at this time. The Minister of National Defence for Air (Mr. Power), speaking in Montreal on December 13, shortly after Japan struck, used these words:

> These powers—

Referring to the powers given to the government under the National Resources Mobilization Act.

> —we propose to use in the emergency which confronts us and in an endeavour to see to it that every man and woman in this country carries on the work which will be of the greatest possible benefit to the state as a whole.

That was nearly four months ago, and it is about time that the government took the advice of the minister and got busy on the programme which he outlined at that time. If he had been in charge of carrying out the programme, something would have been done long since.

It would help if the ministry would ask those Canadians who are serving on the home front to buy on the basis of "How little do I need; what can I do without?" rather than on the present basis, which seems to be, "How much can I get and how long can I get this or that?" If the Canadian people are shown that every dollar spent on supplies not absolutely necessary may mean less war material produced or fewer men in the fighting forces, they will respond. The government from the start of the war have made the mistake of not asking the Canadian people for enough, not asking them to do as much as the people have been and are prepared to do.

That brings me to the fighting forces—man-power—and I am glad to see the Minister of National Defence (Mr. Ralston) in his seat. The position in respect of man-power is much the same. We are not using our available man-power. Although Japan struck over three months ago and Canada's position became infinitely more dangerous, the defence department has gone placidly on calling on the Department of National War Services for about the same number of men—no hurry apparently, no urgency, plenty of time to get men and give them training. Now we find this situation. I quote from a press dispatch by Mr. Carnegie of the Canadian Press on March 14:

> The supply of man-power to keep up the flow of compulsory service recruits to the training centres at the rate of 5,000 a month has diminished to such an extent that the age limit shortly will be advanced probably to 30 years, a government authority said to-day.

It is my understanding that no men are being called above the age of twenty-six. If that is not correct, I ask the minister to correct me. Meanwhile the Australians have made provision to call men for military service up to the age of sixty. Our ministry apparently expect that men from nineteen to thirty-five are to do the fighting in the active army. If that is so—and I do not think it will be denied—those men should be given training at once; they should be called up without further delay and given a chance to get proper training, which in the long run may mean the saving of the lives of many of them, and will certainly mean a stronger and more efficient fighting force. Instead of that, we are to have another survey or registration of some kind, which again will take weeks.

Something should be done now about the size of our active army. It should be increased. On February 10, speaking in this house, the Minister of National Defence said, as reported at page 451 of *Hansard*:

> It should be remembered that apart from the fourth division and the brigade groups of the sixth division, we have in Canada over 90,000 active service personnel in training centres and elsewhere.

Since then, I believe about 10,000 have enlisted, but—and here again there is a "but"—many, many thousands of these men are pinned down; they are engaged in some particular army work so that they cannot be moved about. For example there are men on the training centre staffs and men on the district depot staffs and on headquarters staffs, and many of the men in the veterans' guard, men in detachments on the home war establishments and attached to the air force, men in permanent hospitals, and thousands of coast defence troops. There are many more thousands who are reinforcements for overseas, with the result that there is a comparatively small number to form mobile forces in Canada. We should have larger mobile forces in Canada; for example, on the Pacific coast at the present time we should have a striking force. In the first place, that would be the best way to defend our coast, by building up a force that could be rushed from one part of the coast to another. It should not be a matter of a few hundred men here and there but a proper striking force. The time will come, I hope, when we shall be able to send a striking force out over the Pacific, and in the meantime men could be trained in British Columbia for that purpose.

The province of British Columbia should be treated as a war front, just as Great Britain is treated as a war front. I cannot understand, for example, why the rule which calls for younger men in command of the different units should not apply in British Columbia just as it applies in Great Britain. The forces on the Pacific coast under present conditions should be handled as though they were on a war front, which is actually the case.

Then we should do something now about our reserve force. It should be increased. This little government publication called "Canada at War", which comes out every month, says at page 8 of the supplement of February 1:

> At home, a special reorganization and regrouping is being planned for the reserve army, which consists of about 140,000 men.

Over one-third of these men, I believe, are recruits who were called up under the National Resources Mobilization Act for 30-day training. They are carried as supernumerary to establishment, which means that they are merely names on the walls of the different armouries across Canada. No doubt many of them have since enlisted in the fighting forces, and yet these men are shown as a portion of the Canadian reserve army. The result is that the Canadian people think they have 140,000 men in the reserve army, while actually they have very many under that number. Provision should be made so that the men who come within this classification can actually train with the other men in the reserve forces. If necessary, if the ministry cannot recruit the reserve army in any other way, let them call up men over thirty-five for the purpose.

They must give this reserve army some equipment. In my own province of British Columbia there has now been a brigade formed in the reserve army; the men who are joining up are joining up to fight, to be in a position to defend their homes, and if enthusiasm is to be maintained and the brigade is to become efficient, they must be given proper equip-

ment. It must not be a case of sending them a field gun or two, a mortar or two, or a small amount of equipment with which they can merely train; they must have weapons with which to fight.

Then I suggest the time has come when we must organize a home guard in Canada. That is particularly true on our war front on the west coast and, I believe, also on the east coast. Certainly on the Pacific coast every able-bodied man should be in the home guard or in air raid precaution work or preparing in some way to take his part should there be an invasion of that coast. At the present time the government has extended the reserve army to some extent by forming small companies in a few centres on the Pacific coast. But it should go much further. Every able-bodied man in British Columbia should be trained and put in some position where he can take his part should the province be invaded.

Another thing that should be done at once or very shortly is that we should produce more equipment. The troops on duty in Canada are not fully equipped—I do not think the minister will deny that. These troops should be equipped, for example, with planes and tanks. The government boasts a great deal about shipping military equipment all over the world; every week some press dispatch is given out to tell of Canada shipping military equipment to all parts of the world. I do not quarrel with that, but the position is just this serious, that Canada must go one step further and produce enough equipment to arm her own troops at home, who may be called upon to defend this nation.

Finally, the ministry should make plans to help the Canadian people meet any eventuality. For example, have plans been made for the evacuation of women and children from either coast in the event of attack? If not, such plans should be made now while we have a chance to do it without great haste, and the leaders in the different communities should know those plans so that there will not be great confusion if trouble comes.

Another question is, is Canada to adopt a scorched-earth policy or is she not? That decision should not be left until the enemy is at our gates. We find Australia on March 10 putting through regulations which are described as follows:

> The government is empowered to order the civil evacuation of any area threatened by invasion and in cases where property and live stock cannot be removed their destruction may be ordered.
>
> The regulations also provide for demolition of buildings, public works, airports, railways, mines and reservoirs in such emergencies.

The ministers may smile; some may think this is funny. But may I impress upon them with all the power at my command that things like this should be planned now; there is no better way of instilling confidence in the Canadian people than to have plans prepared and thoroughly understood to meet eventualities of this type.

Each thing I have advocated could be and, I believe, should be done now. There has been too much delay. I can understand that the ministers are overburdened with work, under pressure every day and for long hours, with all kinds of things to do, but there has been much delay and there should be no more. We should get right down to business and start doing these things of the nature I have outlined. Delay is one of the greatest menaces to Canadian survival. I ask the ministry to tell us—and tell us before the Easter adjournment, not on April 20—and through this house tell the Canadian people what they propose to do about these things I have mentioned and other things of the same kind. I urge them and urge every member of this house to give this nation at once far more aggressive leadership in waging war.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion?

Mr. HANSON (York-Sunbury): Surely the Minister of National Defence (Mr. Ralston) will make some statement in reply to this. We want time to read the minister's statement. This resolution should not go through now without some statement by the minister. It is almost eleven o'clock. We should hear it to-morrow.

Mr. RALSTON: I am not going to take the time of the house now. I do not know what my hon. friend means. The ministry will make a statement in due course. I do not think there is any occasion for making a statement particularly in answer to a speech made at ten minutes to eleven.

Mr. HANSON (York-Sunbury): I do not expect you to; move the adjournment of the debate. If you want to get this resolution through, you will have to make a reply. If there had not been so much chattering over there, perhaps the ministers would have heard what the hon. member said.

Mr. MACKENZIE (Vancouver Centre): We heard every word of it.

On motion of Mr. White the debate was adjourned.

On motion of Mr. Crerar the house adjourned at 10:52 p.m.

Tuesday, March 24, 1942

The house met at three o'clock.

MOBILIZATION OF MAN-POWER

TABLING OF ORDERS IN COUNCIL GIVING EFFECT TO GOVERNMENT POLICY

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, it was announced last night that I would to-day make a statement concerning measures recently adopted giving additional effect to the government's policy with respect to the mobilization of man-power. In that connection I have in my hand a number of orders in council which have recently been passed with respect to the mobilization of man-power, and I should like to table them. The orders are in English and French. I might cite the various orders:

P.C. 2250, March 21, 1942, restricting the entry of men of military age into certain occupations.

P.C. 2251, March 21, 1942, stabilization of employment in agriculture regulations, 1942.

P.C. 2252, March 21, 1942, amendments of national war services regulations, 1940 (recruits) (consolidation), 1941.

P.C. 2253, March 21, 1942, transfer of national registration functions, records, etc., from Department of National War Services to Department of Labour.

P.C. 2254, March 21, 1942, providing for the appointment of a Director and Associate Director of National Selective Service, and the establishment of a National Selective Service Advisory Board.

P.C. 2192, March 21, 1942, authorizing a proclamation for the calling out of additional classes for military training.

P.C. 2229, March 23, 1942, providing for the reconditioning of certain classes of physically unfit persons ("R") recruits.

P.C. 2291, March 23, 1942, providing for the reconditioning of other classes of physically unfit persons (active service personnel).

P.C. 2301, March 23, 1942, appointing E. M. Little, Esquire, Director of National Selective Service, and Paul Goulet, Esquire, Associate Director of National Selective Service.

P.C. 1445, March 2, 1942, authorizing the Minister of Labour to establish and maintain an inventory of employable persons.

P.C. 638, March 4, 1942, essential work (scientific and technical personnel) regulations, 1942.

P.C. 26/1840, March 10, 1942, providing for extension and improvement of training in personnel management, for the appointment of a director of personnel training, and for the appointment of personnel managers.

P.C. 1955, March 13, 1942, providing for the reregistration of persons under unemployment insurance.

These orders are important, and I imagine hon. members will wish to refer to them from time to time. If the house will give its consent I suggest that they be printed as an appendix to the *Votes and Proceedings* of to-day.

NATIONAL SELECTIVE SERVICE—MEANS OF EFFECTING INCREASED MOBILIZATION OF MAN-POWER

Mr. Speaker, the speech from the throne at the opening of the present session of parliament contained the following paragraph:

> The government's policy of national selective service will be extended, as generally and rapidly as may be necessary to effect the orderly and efficient employment of the men and women of Canada for the varied purposes of war. You will be advised of the means the government proposes to adopt to effect as complete as possible a mobilization of the material resources and man-power of the country in direct furtherance of a total national effort.

I propose in the statement I am now about to make to set forth means the government proposes to adopt to effect increased mobilization of the man-power of the country in direct furtherance of a total national effort, and to outline the measures themselves as already adopted.

Modern total war is not confined to the struggle between opposing armies and navies and air forces. It is a struggle between whole peoples, in which all of each nation's resources, both human and material, must be mobilized and brought into action. It is therefore a misconception to assume that the war-time man-power problem is merely a problem of raising men for the armed forces. This is only a part, and not necessarily the most difficult part, of the problem of mobilizing the man-power of a nation for modern war.

Man-power—and in that term I include woman-power—is required for many and varied tasks. In the first place, essential civilian services must be maintained as the foundation of community life on which the war effort rests. These essential tasks are a form of service just as truly as making munitions or serving in the armed forces. In order, however, to free younger men for direct war service, civilian tasks, as far as may be possible, should be performed by older men or by women.

The production of food, in war time, is one of the most essential civilian tasks. To the extent that food is produced for Britain, or

other allied countries, or for Canada's own fighting men, it is a direct war service. If this aspect of Canada's total effort is not to suffer, the man-power required for food production must be kept available.

The man-power requirements for munitions production must also be filled. Some 600,000 workers are already engaged in the production of munitions. It is estimated that in the course of the next twelve months an additional 100,000 workers will be required.

In the armed forces our estimated requirements for the ensuing twelve months are a further 13,000 men for the navy, 90,000 to 100,000 for the active army, and 70,000 to 80,000 for the air force. These figures were given to parliament on February 10th by the Minister of National Defence. In addition, men will continue to be called up for military service within Canada; and this on a considerably increased scale.

When, on January 26th, I announced the war programme for the coming year, I stated that the men and women required to carry out the programme would be mobilized by an extension of the application of national selective service.

It might be helpful were I to repeat the definition I then gave of national selective service as understood by the government.

By national service is meant any form of service, either voluntary or compulsory, which contributes directly to Canada's war effort. By national selective service is meant the selection of men and women for the various forms of national service according to the method or methods calculated to produce the most satisfactory results.

In order to be selective, national service does not necessarily need to be compulsory. The selective aspect applies also to voluntary service. The army, for example, does not accept every man who offers to enlist. As a war measure, compulsion is only of value where it serves to ensure a greater total effort.

In speaking on the war programme in January, I made it clear that the extended application of compulsion to national selective service was a highly complicated matter, one which required very careful planning and organization. I also stated that, to carry out the proposed measures equitably and efficiently, the administrative machinery would necessarily be intricate and complicated.

Final responsibility for the allocation of man-power, as for all other phases of our war programme, necessarily rests with the war committee of the cabinet. The war committee determines, in all its aspects, the scope and extent of the war programme. The distribution of men and women among the various kinds of war service obviously depends upon the war programme. The objectives are set forth in the programme. National selective service is a method employed to help achieve these objectives.

To the problems of mobilizing man-power, the war committee has given close and continuous attention. Under the authority of the war committee, a special committee of the cabinet on man-power, presided over by the Minister of National War Services, has given detailed study to the problems involved. The recommendations of this committee have in turn been carefully considered by the whole cabinet.

I shall now set forth the procedures and measures which have been taken to organize and administer the government's policy of national selective service.

The primary responsibility for the extended scheme of national selective service has been placed upon the Minister of Labour. Under the Minister of Labour, the administrative responsibility for the direction and coordination of the policy has been vested in a director of national selective service and an associate director. Mr. Elliott M. Little has been appointed the Director of National Selective Service, and Mr. Paul Goulet, the Associate Director.

The responsibility for increasing the total man-power available for war service has been largely centred in the Department of Labour. It would not, however, be possible, even if it were desirable, to centralize in one department of government all the administrative responsibility for allocating man-power, and for directing men and women into the most useful form of service.

The other departments of government which share in greater or less degree in the tasks of making man-power available for war service and in the allocation of the available man-power are the departments of National War Services, Pensions and National Health, Munitions and Supply, Agriculture, and the three Defence departments. The interdepartmental committee on labour co-ordination, on which all these departments are represented, assists in coordinating the functions of the various departments, in so far as they relate to the mobilization of man-power. The committee has been strengthened by the addition of the employer and employee representatives on the executive of the national war labour board.

A national selective service advisory board has been established to advise on major questions of policy. This board includes, in addition to the members of the labour co-ordination committee, the full membership

of the national war labour board and such other persons as the Minister of Labour may designate. This latter provision will ensure the representation on the board of the agricultural community and of women.

In the programme of national selective service, extensive use is being made of the facilities of the Employment Service of Canada. In each area covered by an employment and claims office of the Unemployment Insurance Commission the director of national selective service will shortly appoint a national selective service officer. The national selective service officers will have local charge of the administration of the selective service programme for their respective areas. They will be advised and assisted in their work by voluntary unpaid citizens' committees which will be set up in each of the areas.

A central registry has been established in the Department of Labour to aid in promptly finding the appropriate men and women needed at any particular time. The registry is based upon the unemployment insurance records, and the records of the 1940 national registration. To the registry will be added the records of such further surveys of man-power as may be made from time to time, with a view to building up a complete inventory of man-power available for war and essential civilian purposes. To consolidate records and to avoid duplication, the administrative responsibility for national registration has been transferred from the Department of National War Services to the Department of Labour.

Under the programme now adopted, the mobilization of industrial man-power will, in the main, be effected through the agency of the Employment Service of Canada. The armed forces will continue to recruit men for the active army, the navy and the air force by the present voluntary methods. The calling up of men for compulsory military training and service will continue to be the responsibility of the Department of National War Services.

Compulsion is now being applied in aspects of the mobilization of man-power, other than military service within Canada, to which it has been applied since October, 1940. It is recognized that no hard and fast compulsory regulations can be made which may not work injustices in individual cases. As a consequence, considerable discretion has been vested in the national war services boards to decide appeals from the compulsory or restrictive regulations of the government, and from the orders of the director of national selective service and the national selective service officers.

The right of appeal will be enjoyed, not only by employers; employees, farmers, farm labourers and others directly affected, but also by interested government departments. The duty of hearing civilian appeals will add greatly to the work of the national war services boards, now mainly concerned with the appeals of men called up for military service. In order to cope with the increased duties which will fall upon the boards, it may become necessary to increase their number and in some cases to divide their territorial jurisdictions.

The war-time mobilization of man-power has three important aspects:

1. Estimating the number of men and women required for the different kinds of war service.

2. Increasing the total man-power resources available for war purposes. In other words, making available for some part in the war effort the largest possible number of men and women.

3. Directing the available men and women into the most useful form of war service.

All of these tasks have to be carried on at one and the same time, and, in part at least, through the same channels.

The whole programme is interrelated and interdependent. I shall now give a brief outline of each of the measures, indicating, as far as possible, how each relates to and affects the other.

Estimating the number of men and women needed in the war effort, and the most effective distribution of the total among the armed services, war industry and essential civilian pursuits, is a difficult task. A constantly changing war necessitates constant changes in military and production plans. These changes, in turn, involve continuous revision of the estimates of man-power requirements, and the proposed allocation of man-power reserves. To this end, the director of national selective service has been given authority to obtain information from government departments, and empowered to secure from employers, by compulsion if necessary, full information, regarding prospective labour requirements, existing labour forces, wage scales and working conditions.

In the early months of the war, there were large reserves of available man-power for war service because of the unemployment and under-employment of many thousands of Canadians. If we except women who, for domestic or social reasons, have not desired or sought employment, we are now well past

the stage where there is any considerable reserve of employable unemployed persons. Women, therefore, constitute the most important available reserve of man-power. It is, however, not so much by bringing women directly into the armed forces, though that is being done, that the total man-power available for war service can actually be increased; rather is this end accomplished by the substitution of women for men in essential civilian tasks, and in war industry.

Additional man-power is becoming potentially available for war service as an indirect result of the curtailment of civilian production. To the achievement of a maximum effort, it is vital that man-power thus released be shifted as speedily and efficiently as possible into some form of war service. The process of shifting man-power from civilian occupations into war service has, of course, gone on steadily since the outbreak of war. It has now been given more definite governmental direction and is being accelerated.

For more than a year, the Department of Labour, in cooperation with the provinces and industry, has been increasing the man-power available through training men and women for employment in war industries. During the past year, more than 60,000 trainees received instruction in about one hundred technical schools. Industries cooperating with the Department of Labour, and often on their own initiative, trained at least an equal number. Through the Department of Labour services, and directly in industry, greater provision is now being made for training and retraining men for essential war production; for diluting present working forces by employment of men of lesser skill for simpler operations; and for the constant up-grading, as a result of training and experience, of existing working forces.

The programme of increasing war-time man-power reserves has a threefold objective:

First, to increase the total male labour force available for war production.

Second, to make possible the replacement of able-bodied men of military age with older men, or men less fit physically for arduous tasks.

Third, to increase war-time man-power reserves by bringing women into industry. This is the most important single feature of the programme.

The first two objectives are being accelerated by governmental and industrial assistance. The assistance is similar in character, although on a smaller scale, to that being afforded for recruiting female labour.

The series of measures being undertaken to bring women into industries include:

1. Recruiting campaigns, planned and publicized to attract women into the needed work;

2. The provision of appropriate and adequate facilities for interviewing women applicants and for giving them advice and direction;

3. The establishment of competent job information and placement services, specializing in female labour;

4. Advances, where necessary, to meet trasnportation costs in getting women workers to places where work is available;

5. The provision of hostels or other satisfactory housing arrangements;

6. The provision of nurseries and other means of caring for children;

7. The provision, where needed, of medical and recreational facilities;

8. The provision in industry, as well as under direct governmental auspices, of training programmes, specifically designed for women;

9. Pressure upon employers who may be reluctant to engage female labour;

10. Changes in civil service and institutional restrictions on the employment of female, and, particularly, married female labour.

Some of these measures have already been applied over a considerable period of time. From now on, they will be more extensively applied.

An important phase of the man-power problem has to do with providing in war industries the necessary supervisory personnel. It has been found that, as war industries continue to expand, it is increasingly difficult to secure sufficient supervisors, personnel managers, and foremen, to direct the enlarged work forces. Many plants producing urgently needed war materials are now operating day and night, seven days in the week. Others that might be operating on the same basis are hampered by lack of supervisors.

A recent statement by Mr. Bevin on the importance of personnel factors in war production in Great Britain is equally applicable to Canada. It reads:

> In the layout of our war effort, sufficient attention was not paid to the personnel problem. . . . The longer the war goes on, the more necessary it becomes to pay greater regard to this personnel side of industry. The absence of a proper understanding of the problem has been one of our greatest handicaps in this great struggle. . . . Hence my additional plea for the personnel manager, who should be specially trained to have an equal position in industry with others members of the executive. Indeed, I am sure—and I would emphasize this—that our post-war position will be materially helped,

and the future prospects of British industry enhanced, by a full appreciation of this important fact.

To assist our Canadian employers to meet their personnel problem, provision has been made by the government for training in personnel management. The universities have agreed to cooperate. Experienced personnel men will serve as instructors and sponsors. Trainees will be given practical instruction in the classroom, and on the job.

If the experience of this undertaking warrants, these facilities will be extended to foremen and other supervisors. It is hoped by this means greatly to reduce an important area of difficulty in war production. Moreover, better personnel policies and practice should minimize friction between management and men, improve morale, and thereby increase output.

The government is also undertaking an extended programme of reconditioning men to fit them physically for military service.

It is and has been standard practice for the army to accept men for service who require only dental treatment, provision of glasses, or nutritional improvement. After enlistment or enrolment, treatment is provided for these men as a matter of routine.

There are, however, men volunteering for the active army, or called up for training and service, who at present have to be rejected because of some condition other than those just mentioned, and which, though not a serious disability, is important enough to require more than routine treatment.

It has been decided that when disabilities of this class are mendable within a comparatively short time, free remedial treatment will be provided to restore the standard of physical fitness of these men. Such a policy is in the interests of the armed services and also of benefit to the health of the nation as a whole.

Free treatment will be available to those who volunteer and undertake in writing to enlist as soon as they are physically eligible, provided they are certified by a competent board to be cases in which the disability can be removed or mended by treatment so as to make them physically fit for enlistment within a specified reasonable period.

Free treatment will also be available to those who are called up for compulsory training and service provided it is similarly certified, as in the case of volunteers, that the disability is such that it can be removed or mended within a specified reasonable period. When the treatment is successfully completed, these men will be available for military training and service.

In giving treatment, the Departments of National Defence, Pensions and National Health, and National War Services, will cooperate.

The treatment, both for volunteers and for men called up for training and service, will be provided or arranged for by the Department of Pensions and National Health. In neither case will men undergoing treatment be accepted into the army unless, and until, the treatment has been successfully completed. In both cases, in addition to free treatment and, if necessary, hospitalization, men undergoing treatment will be paid an allowance for time actually and necessarily lost during the remedial period.

It should be added that free treatment on precisely the same terms as in the case of volunteers for the active army, will be provided for men who volunteer for the air force, and would now be rejected for physical unfitness.

Until recently, the most important form of direct compulsion in mobilizing men has been the compulsory military training and service of unmarried men and of widowers without children. This, of course, is being continued, although with certain changes in the selective procedure.

A proclamation is being issued making liable to call for military training and service all men born in the years from 1912 to 1921, who on July 15, 1940, were unmarried or widowers without children. In other words, the age limit for compulsory service has been raised from 24 to 30. It has also been decided to select the men to be called up for service by drawing lots over the whole field of those who are subject to the proclamation. As soon as the necessary administrative arrangements have been worked out for this plan of selection by lot, a detailed announcement will be made by the Minister of National War Services.

Liability for compulsory military service is, at present, confined to citizens of Canada. It has been decided to extend this liability to all residents of Canada, whether citizens or not, as far as may be expedient in the light of all the circumstances. As reciprocal arrangements and other international considerations are involved in the proposal, its details cannot be announced immediately.

The liability to compulsory military service will continue to be general for the age categories affected. The burden of demonstrating the case for postponements is unchanged, except in the case of persons wholly or mainly employed in agriculture on March 23, 1942, as defined in the amended national war services regulations.

One of the man-power problems with which the country is faced is the growing shortage

of agricultural labour. Means, accordingly, have had to be devised to ensure that the supply of farm labour is not depleted. To that end, regulations have been enacted to stabilize employment in agriculture.

With three exceptions, the regulations provide that no male person wholly or mainly employed in agriculture on March 23, 1942, as defined by the regulations shall enter into any employment outside agriculture unless he has obtained written permission from the national selective service officer to enter such employment. They also provide that no person shall take into employment outside agriculture, any male person wholly or mainly employed in agriculture unless such male person has obtained such permission.

The three exceptions provided for are active service in the armed forces by voluntary enlistment, seasonal employment in a primary industry, and compulsory military training if it is established that the person concerned is not an essential worker in agriculture.

The exception of seasonal employment in other primary industries, which include lumbering, logging, forestry, fishing and trapping is, in reality, not an exception. In many parts of the country, agriculture and the primary pursuits specified are complementary aspects of what is, in effect, a single occupation.

The other specific exceptions both relate to service in the armed forces. Voluntary enlistment of farmers and agricultural workers in the active army, the navy and the air forces will continue to be encouraged. It is felt that the privilege of serving voluntarily in the armed forces should not be completely denied to a whole class of the community, however important may be the service its members are at present performing.

On the other hand, the growing scarcity of labour on the farms and the increasing importance of maintaining, and, indeed, of increasing food production, has been recognized. This has been accomplished by a fundamental alteration of the policy regarding compulsory military training and service where such service touches persons wholly or mainly employed in agriculture. Up to the present there has been a general obligation to serve, and the responsibility for proving a case for postponement of service has rested with the individual. Under the new regulations, farmers, farmers' sons and agricultural labourers will normally not be obliged to undertake compulsory military training and service. It is realized, however, that in a limited number of cases, men on the farms are not, in fact, essential agricultural workers. If it is established to the satisfaction of the national war services boards concerned that such persons are not essential workers in agriculture, they will continue to be called for service in the appropriate age groups.

This change of policy regarding compulsory military service applies only to those who were wholly or mainly employed in agriculture, on March 23, 1942, in accordance with the terms of the regulations. Persons who subsequent to that date may return to employment in agriculture, except from normal seasonal occupations, will continue to be liable for military service. In such cases, the earlier regulations regarding postponement will continue to apply.

Apart from the three specified exceptions to the rule that persons engaged in agriculture shall not enter into other employment, the regulations also empower the national selective service officer, having jurisdiction in the district in which a person resides, to give permission to farmers and agricultural workers to enter other employment. This provision has been included in the regulations so as to maintain a reasonable degree of flexibility in policy. It is recognized that there may be those engaged in agricultural pursuits, who, because of the limited character of their production or on other grounds, are not performing an essential war service. At the same time, such persons, because of age or physical condition, or for other reasons, may not be suitable for military service. Unless the way were left open for such persons to move into other fields of activity, great individual hardships might result, and valuable service in other fields be lost to the country.

It will, therefore, be open to farmers and others engaged in agricultural work, who desire to enter some other field of employment, to apply to the national selective service officer, having jurisdiction in the district in which they reside, for permission to change their employment. Detailed regulations to guide national selective service officers in determining whether such permission shall be granted or refused will be made and revised from time to time in the light of experience. Two governing factors will be taken into account in determining these regulations, namely, the maintenance of the necessary agricultural production in Canada, and the extent to which the applicant is essential to the maintenance of such production.

The policy of stabilizing employment in agriculture represents what, in effect, is a block allocation to agriculture of the persons best fitted for food production. It constitutes a form of large scale selection for national

service which should go far to ensure the supply of man-power essential to the food production aspect of the national war effort.

Another step in the allocation of man-power recently taken, relates to the diversion of technicians to war service. It concerns persons normally engaged in the engineering profession as civil, mechanical, electrical, chemical, metallurgical or mining engineers; also production and industrial engineers, college teachers of engineering science, persons trained in any branch of the science of chemistry, research scientists and persons other than teachers holding university degrees in engineering, chemistry, physics, geology, mathematics, architecture, or in any natural science; also all technically qualified members of the Engineering Institute of Canada, the Canadian Institute of Chemistry, the Canadian Institute of Mining and Metallurgy, the Royal Architectural Institute of Canada and of any provincial association of professional engineers, chemists or architects.

About a year ago, with the aid of the professional engineering societies, there was established in the Department of Labour a war-time bureau of technical personnel. The bureau has accumulated information on most of the professional engineers of the country. It has sought to make engineers available as needed in the armed services and in war industry. The time has come, when in the opinion of the government, all technical men should be shifted from non-essential activities to war or other essential services.

Under regulations at present in force, if, at the request of the Minister of Labour an engineer is willing to transfer to more essential work, his present employer is obliged to release him and to reinstate him when his undertaking on essential work is completed. Employers who hire or release technical employees are required to notify the bureau so that technical men as needed in the war effort may be quickly located. Contracts of employment for the services of technicians require the approval of the Minister of Labour.

This measure is restricted for the present to professional technicians. It may, however, become necessary as an essential war service, also to require skilled workmen in certain categories, to remain in their existing occupations in war industries, or to move from one war industry to another, or to remain in certain essential civilian occupations. Should such widespread control become necessary, every effort will be made to reduce its arbitrary aspects to a minimum, and to secure, from workmen and employers alike, the largest measure of voluntary cooperation.

[Mr. Mackenzie King.]

In order to increase the numbers of men available for service in the armed forces, in war industry, or in other essential occupations, regulations have been made which prohibit the entry into employment in a wide variety of occupations, of men who are of military age and physically fit. These occupations will be known in future as restricted occupations. The regulations include a schedule of the restricted occupations. The schedule comprises:

Bookkeepers, cashiers, stenographers, tyists, clerks, office appliance operators, messengers, salesmen and sales clerks, taxicab drivers.

Any occupation in wholesale or retail trade, advertising, and real estate.

Any occupation in, or directly associated with, entertainment, recreational or personal service, including but not restricted to theatres; film agencies; motion picture companies; clubs; bowling alleys; pool rooms; sports; barbering and hairdressing; domestic service; dyeing; cleaning and pressing; laundering; hotels and lodging houses; baths; restaurants; cafes and taverns; shoe shining, guide service, and funeral service.

Any occupation in the manufacture or production of

1. Biscuits, confectionery, cocoa.
2. Bread and bakery products.
3. Aerated and mineral waters and other beverages.
4. Liquors, wines, beer.
5. Rubber products.
6. Tobacco, cigars, cigarettes.
7. Leather and fur products.
8. Textile products.
9. Furniture and upholstering.
10. Photography.
11. Printing, publishing and engraving.
12. Radios, refrigerators, washing machines, and vacuum cleaners.
13. Jewellery and watchmaking.
14. Pottery and china.
15. Soaps, and toilet preparations and articles.
16. Mattresses.
17. Musical instruments.
18. Barber and beauty shop equipment.
19. Cameras and films.
20. Sporting goods.
21. Games, toys and novelties.

Any occupation in the repair of clothing, boots and shoes, furniture and household equipment, jewellery or watches, musical instruments.

It is provided that, on and after March 23, 1942, no male person shall accept employment, and no employer shall engage any male person in any of these restricted occupations, unless such person presents to the prospective employer a birth certificate or other incontrovertible evidence that his age is less than seventeen or more than forty-five years; or a certificate of honourable discharge from the armed forces; or evidence of rejection on grounds of physical unfitness for active service

in the armed forces during the present war; or a permit from a national selective service officer authorizing him to accept such employment.

The conditions which govern the granting or refusing of permission by national selective service officers are to be made, and may be revised from time to time, by the Minister of Labour. Permits are necessarily subject to cancellation at any time.

The Minister of Labour is authorized to require employers to furnish reports about all persons engaged for or released from restricted occupations. The governor in council is empowered to amend the schedule of restricted occupations, by the deletion or addition of any occupation.

By applying the negative compulsion of restriction, where possible, in preference to the positive compulsion of allocation, the waste of man-power in unessential activities is prevented. At the same time, men and women are maintained in or directed into the form of service they prefer. It is obvious that the greater the measure of willingness that can be preserved, the more effective the service will be.

May I say, in conclusion, while the government has not hesitated and will not hesitate to apply compulsion where compulsion will serve to increase the total war effort, the government has no desire to add unduly —which means wastefully—to governmental machinery. It is essential that at a time of war, the services of men and women should not be consumed in unnecessary tasks. It is imperative that the services of all should be directed into war-time tasks. In those aspects of our war effort in which voluntary methods are working satisfactorily, voluntary selection, including a measure of choice by the individual of the appropriate field of service, has been and will be continued. The more expensive and complicated methods of compulsion have been employed only where it is felt that compulsory selection is necessary in order to increase efficiency in the prosecution of the war. Compulsion, however, will be applied without fear or favour wherever in the opinion of the government its use will aid in the achievement of a maximum war effort.

CANTEEN FUNDS

APPOINTMENT OF SELECT COMMITTEE TO INQUIRE INTO COLLECTION, CUSTODY, INVESTMENT AND CONTROL

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health) moved:

Whereas it was deemed necessary after the war of 1914-18 to provide legislation for the disposal of canteen funds and the purposes for which such funds were to be utilized for the benefit of ex-servicemen and their dependents;

And whereas by order in council dated December 20, 1940, P.C. 7520 (as amended by P.C. 224 of January 13, 1941, P.C. 1087 of February 14, 1941, and P.C. 1959 of March 24, 1941), a committee was constituted to inquire into and make recommendations and report to the Minister of National Defence concerning the collection, custody, investment, control and utilization of moneys accruing from the profits of canteens, and certain other related matters as set out in the said orders in council; and whereas the said committee has reported to the Minister of National Defence under date the 30th August, 1941, and has made certain recommendations with regard to the matters referred to it as aforesaid;

And whereas a subcommittee of the general advisory committee on demobilization and rehabilitation, namely the subcommittee on the administration of special funds has made an investigation and an interim report with reference to the administration of canteen funds following the war of 1914-18, to which is added the comment of the subcommittee thereon and certain recommendations as to the use of canteen profits for the welfare of ex-members of the armed forces of Canada in the present war;

And whereas it is considered desirable in the public interest that the collection, custody and control of canteen funds and the purpose for which they are to be used should be examined, considered and reported on by a committee of the house;

Therefore be it resoved:—That a select committee of the house be appointed to inquire into the collection, custody, investment and control of such moneys as under existing regulations and agreements accrue out of the profits arising from the operation of canteens and other auxiliary services and institutes for the benefit of the armed forces of Canada during the present war; and as to whether certain portions of the profits arising from canteens other than the portions of profits for which provision is now made should be paid to the government of Canada; and the policy and method of management to be adopted in the utilization of the said funds for the benefit of those who have served in the Canadian armed forces and for the benefit of the dependents of such persons; and to report to the house their opinions, observations and recommendations thereon; and to recommend to the house the appropriate legislation to implement such recommendations as the committee may make.

That the committee shall consist of the following members: Messrs. Abbott, Adamson, Black (Yukon), Blanchette, Booth, Brooks, Bruce, Castleden, Chambers, Claxton, Cleaver, Cruickshank, Diefenbaker, Emmerson, Factor, Fauteux, Ferron, Gillis, Graham, Gray, Green, Hallé, Harris (Grey-Bruce), Hazen, Isnor, Jackman, Johnston (London), Jutras, Lapointe (Matapedia-Matane), Lapointe (Lotbinière), Macdonald (Kingston City), Macdonald (Halifax), Macdonald (Brantford City), MacKenzie (Neepawa), Mackenzie (Vancouver Centre), Macmillan, McCuaig, McLean (Simcoe East), Marshall, Massey, Mutch, Quelch, Ross (Middlesex East), Ross (Souris), Sanderson, Sinclair, Sylvestre, Tomlinson, Tremblay, Tucker, Turgeon, White, Whitman, Winkler, Wright, and that

standing order 65 be suspended in relation thereto; that the committee shall have power to send for persons and records and report from time to time.

Hon. R. B. HANSON (Leader of the Opposition): I should like to offer two brief comments on this resolution. The first is that I believe the thanks of this house are due to the committee which was established by order in council to investigate the custody, control and investment of canteen funds, which committee was headed by a very distinguished and public-spirited Canadian, Mr. J. M. Macdonnell.

The other comment which I wish to make is to suggest that this is subject matter which might perhaps well be referred to the other chamber for investigation, having regard to the great number of special committees which are being set up in this house, and the strain upon some of our membership, especially those who are returned soldiers. At the moment I do not think there is any real necessity for this matter to be considered by a committee of this house, and in my view it would present an opportunity for members of the other chamber to engage in very useful work. I believe it is almost a national disgrace that the great talents and abilities of members of the other house are not being put to public service at this time. If there is any particular reason why this matter should be investigated by a committee of the house of course I shall not press this point; but I offer the suggestion to the minister and to the government for their serious consideration.

Mr. MACKENZIE (Vancouver Centre): The suggestion offered by my hon. friend has not been brought to my attention before. The committee suggested consists of all hon. members who served in the great war and who are on active service in the present war. It was felt that the two reports submitted to the government, one by the subcommittee of the general committee on demobilization and rehabilitation, the other by the committee headed by the gentleman to whom my hon. friend has referred—and I wish to support his commendation of the excellent work done by that committee—indicated that this work could be best done by members of this house.

We have frequently heard the comment from some of our members that sufficient work is not given them during the ordinary course of the session. I believe that a non-partisan committee, such as here suggested, is the best form of committee to deal with this important problem. Hon. members will recall that this matter came up in parliament after the last war, at which time about $2,500,000 was made available for disposition. Trustees were appointed in various provinces, and in some of those provinces there were unfortunate occurrences with regard to these funds.

It is therefore the desire of the government to place this matter before parliament and the house, and I have no doubt whatsoever that means could be found to ask hon. members of the other chamber to cooperate with this committee, if they so desire, in the work of the committee. I believe the resolution should commend itself to everyone in the house. To my mind it is most important to see to it that the benefits from these funds, which accrue in various ways—in the first place through dry canteens and wet canteens in this country—should accrue so far as possible to the men themselves, and that any investments to be made should be made for the benefit of those who are serving the country at the present time.

I shall be very glad to see if a method can be worked out by which cooperation with the other chamber can be secured, as has been suggested by the leader of the opposition.

Mr. HANSON (York-Sunbury): The minister referred to abuses. Were there any prosecutions following those abuses?

Mr. MACKENZIE (Vancouver Centre): That would be a matter of provincial jurisdiction, because all the trustees were created by the provinces.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, I am not sure that this is the occasion on which to make suggestions, but I have two suggestions to make to the committee. The first is that the money accruing from canteen funds should be made available to help the men by reducing the cost of their going home on furlough, especially the last furlough before embarking for overseas. A good many of our men are sent, we will say, from western Canada to Nova Scotia, or to some other distant part of Canada, and they often find that before embarkation they are unable to pay their fares home. I therefore make the suggestion that this money be used for that purpose.

There is another point which to my mind deserves consideration. I heartily agree with the minister when he says that this money should be used in the interests of the men. One way in which it could be used for the benefit of the men would be to have it meet the cost of insurance.

Hon. C. G. POWER (Minister of National Defence for Air): Mr. Speaker, I would remind the house of the difficulties that arose after the last war through the accumulation of

canteen funds, when no one seemed to have any definite idea as to just what useful purpose these funds could serve. At the close of the last war there had been accumulated from canteens in Canada and overseas something like $2,500,000. As time went on, in the minds of returned soldiers this sum grew, like the proverbial snowball, into a sum that they thought might represent $100,000,000. There was not a meeting of ex-soldier organizations from which suggestions did not emanate as to the uses to which these funds should be put. Finally, after a great deal of controversy in this house, in the upper chamber and in the country, the matter was referred to what was known as the Ralston commission. My hon. friend who is now Minister of National Defence (Mr. Ralston) toured the country to study the matter of canteen funds, as well as a large number of other matters affecting returned soldiers. Associated with him were Lieutenant-Colonel Dubuc and Colonel Walter McKeown. His report was hailed at that time as the magna charta of returned soldiers. Many features of it were translated into legislation, and among others was his recommendation with respect to canteen funds.

A feature of the recommendation was that the funds should be divided into provincial funds on the basis of the enlistments from each province. Canteen funds legislation was passed by this parliament, but it provided that canteen funds under the supervision of trustees should be set up in each province. In any event they were set up somehow, under the authority of the provincial government. Distribution was made in accordance with the views of the trustees. For instance I recall that in some provinces it was decided that the capital and interest would be spent. In others it was decided that only the interest would be spent. So far as I am aware the funds have been exhausted in most provinces, some through unwise investments and some otherwise.

The point I wish to make, however, is that we should now have a definite programme with respect to what is to be done with these moneys, in order to avoid all the troubles and difficulties which might arise after the war. It has been suggested—and I believe there is a good deal of merit in the suggestion—that there should be no accumulation of these funds. The difficulty there is of course that a large proportion of the funds are derived from auxiliary services canteens, and from the wet and dry canteens, and thus the question of competition with local stores arises. But the difference in prices may be only the matter of a fraction of a cent; the profit accrues through the volume handled.

Then it has been suggested that these moneys should be expended on the men themselves. This method, suggested by the hon. member who spoke a moment ago, is one which perhaps deserves the most consideration. The other suggestion is that the proceeds should be devoted to the encouragement of sports, the acquisition of books, the provision of men's recreational facilities, and so on. I do not wish to attempt to press my views on anyone, but I have a strong feeling that the accumulation of funds which will be only a cause of dissension after the war is perhaps undesirable, and that, after all, anything which could be done with these funds by way of relief or assistance could perhaps be done better by a central governmental authority.

There is another point which merits inquiry, and that is the number of such funds which are in process of accumulation at the present time. I have in mind the proceeds of funds derived from regimental institutes. In the Royal Canadian Air Force a very large fund is being accumulated in what is known as the Royal Canadian Air Force benevolent fund. This is a fund which, it is intended, shall accrue for the benefit of Royal Canadian Air Force men after the war. I believe it was originated in 1924, when we had only a very small permanent force. What should be considered is whether the moneys made out of the sums expended by persons who are in the war only for the duration, who were not in the permanent force and who are concerned only with doing their duty as citizens during the war, should go into a fund which in all probability will be of greater benefit to the men of the permanent force than to those who enlisted later. If it is to be distributed to all those who served only during the present war, where are we to get the distributing agency? Is it to be an agency composed of men who are in the army, the air force or the navy after the war, or is it to be a civilian agency?

The experience in the last war was that when a man got out of the army, the air force or any of the armed services he wanted to see as little as possible of those armed forces. Again, speaking without any authority and from a purely personal point of view, I am not quite sure that a benevolent fund such as that which we are building up in the Royal Canadian Air Force is the right kind of fund. All these are matters which require the sincere consideration of some body; whether it be composed of members of the Senate or of the House of Commons I am not prepared to argue. But the fact that the House of Commons is closer to the people from whom the profits which make

these funds are derived leads me to the belief that perhaps the house would be the better body to inquire into these matters. Eventually we shall have to decide on some system and bring in legislation to deal with it.

It has been decided, if not by privy council, by the treasury branch in Britain, that canteen funds are public funds. There was a great deal of controversy at the end of the last war over who owned these funds which were made up of very small amounts contributed by a great number of people. The British treasury said they were public funds. In this country a great many people held other views. Certainly if they are public funds the House of Commons is the place to deal with the matter. I have no strong views on the question whether there should be a committee of this house, a committee of the other house or a joint committee, but I do submit that it is something we should get at, and get at immediately.

Before taking my seat I want to add a word of tribute to what has been said by the leader of the opposition in praise of Mr. James Macdonnell of Toronto and his associates, Mr. Plante and Mr. Watson Sellar, of Ottawa, for the work they did in digging into the great mass of information which we have on this matter and giving it careful study. I commend their report for study and inquiry by the committee.

Mr. GEORGE BLACK (Yukon): I am glad to see this resolution introduced at this time and shall be glad to support it. I think it is a matter of sufficient importance to be considered and dealt with by this House of Commons.

As the two ministers who have just spoken have told the house, there was after the last war a canteen fund which amounted to a couple of million dollars. I had a good deal to do with the ultimate distribution of that fund, as the present Minister of Pensions and National Health (Mr. Mackenzie) will recall. Enlistments in the last war from the Yukon were per capita as high as if not higher than in any province of the dominion, and when the canteen fund was ultimately distributed a fair proportion was placed at the disposal of the Yukon returned men. That fund was put into the hands of trustees, consisting of the comptroller of that territory and two trustworthy returned men, and has been wisely used to help reestablish returned men in civilian life. Loans have from time to time been made from the fund, and for the most part have been repaid. I am happy to be able to say that a considerable amount still remains in the fund for the use of the returned men who need it. I hope the canteen fund that will grow up from this war will be as well handled as the canteen fund of the last war was handled and is being handled in Yukon territory.

Hon. J. L. RALSTON (Minister of National Defence): Mr. Speaker, I just want to say that the commission headed by Mr. Macdonnell was initiated by my colleague the Minister of National Defence for Air (Mr. Power) while I was absent from Canada, and that is why he has been good enough to speak to the resolution. I want to add my very sincere word of appreciation of the excellent work done by Mr. Macdonnell, Mr. Sellar and Mr. Plante and of the time they took and the effort they put into getting this complicated subject into some sort of shape. In their report the house committee will find they have an excellent document upon which to work and make recommendations with respect to what I regard as a major matter of future policy which ought to be determined by a committee of the house and by the house itself.

Mr. ROSS W. GRAY (Lambton West): Speaking as one who served as a private soldier in the last war, I feel rather strongly on one aspect of this matter which was barely touched upon by the Minister of National Defence for Air (Mr. Power). It should always be remembered that these canteen funds and similar funds are designed primarily for the comfort and convenience of the personnel they serve. It does seem to me that when this question comes before the committee it should be strongly urged that in the main the funds are accumulated from the private soldier, and that so far as possible they should be distributed to the private soldier, at cost. In my opinion there should not be a large accumulation of profits to be left over after this war as there was after the last war.

Mr. G. H. CASTLEDEN (Yorkton): I should like to say a word, as I come from the province of Saskatchewan which suffered disgracefully from the mal-administration of the canteen funds. In my opinion those to whom this money belongs should have a greater voice in saying what should be done with it. I notice that there are on the proposed committee members who are on active service in this war. After all, this money does belong to those who are on active service, and I suggest that as soon as possible representatives be received from the returned organizations of soldiers of this war. In some parts of this dominion already such organizations are functioning. I suggest also that one of the

greatest benefits that can accrue from use of such a fund is the establishment of educational scholarships and other educational benefits.

Motion agreed to.

POST-WAR RECONSTRUCTION

APPOINTMENT OF SELECT COMMITTEE ON RECONSTRUCTION AND REESTABLISHMENT

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health) moved:

That a select committee of the house be appointed to study and report upon the general problems of reconstruction and reestablishment which may arise at the termination of the present war, and all questions pertaining thereto; with power to such select committee to appoint, from among the members of the committee, such subcommittees as may be deemed advisable or necessary, to deal with specific phases of the problems aforementioned, with power to said select committee and to such subcommittees as may be formed therefrom, to call for persons, papers and records, to examine witnesses under oath, and for such select committee to report from time to time to the house; and that the said committee shall consist of the following members: Messrs. Authier, Bertrand (Prescott), Black (Cumberland), Brunelle, Castleden, Dupuis, Eudes, Ferron, Fraser (Northumberland), Gershaw, Gillis, Gray, Harris (Danforth), Hill, Jean, Mackenzie (Vancouver Centre), Macmillan, MacNicol, McDonald (Pontiac), McKinnon (Kenora-Rainy River), McNiven, Marshall, Martin, Matthews, Maybank, Mitchell, Poirier, Purdy, Quelch, Ross (Middlesex East), Sanderson, Stirling, Turgeon, Tustin, White and that the provisions of standing order 65, limiting the number of members on special committees, be suspended in relation thereto.

He said: Mr. Speaker, because of the urgency of dealing with other business before the Easter adjournment it is not my intention at the moment to discuss this resolution at length. I intend, however, to make a full and detailed statement before the select committee in regard to all that has been done by the government in connection with the committee on reconstruction since 1939, and I would hope that there would be an interim report from the committee this session which will be debatable by the house. I anticipate that the committee may not complete its work during the present session.

Mr. GREEN: Is it the intention to refer to this select committee Bill No. 5, providing for the reinstatement in civil employment of persons who enlist in his majesty's forces?

Mr. MACKENZIE (Vancouver Centre): So far that has not been determined.

Mr. DOUGLAS (Weyburn): When does the minister propose to make a full statement on reconstruction and rehabilitation?

Mr. MACKENZIE (Vancouver Centre): It is my intention to make a full and complete statement before the committee, and it will be distributed to every member of the house.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, I do not desire to delay this resolution unduly, but it raises one or two questions which I think it is well at least to mention at this stage.

We are told that the committee is to consider reconstruction and reestablishment. I take that to refer both to the internal and to the external conditions of the country, since Canada's relations with other nations are affected. I therefore conclude that the whole matter of providing that the citizens, including soldiers, shall enjoy freedom from want and freedom from fear will be involved in the problem to be studied by this committee. I should like to point out to the committee that, under the provisions which give them the right to call persons to testify, they should see to it that they call men who not only think they are able to explain but who are actually able to explain how freedom from want and freedom from fear can be guaranteed to the men who return from overseas.

If I might so far infringe upon the time of the house as to read a passage from one of the minister's speeches, I should like to single out a quotation which he used: I find it in the speech which he delivered on October 30, 1941, to the Association of Canadian Advertisers at a luncheon in Toronto. He quoted the following passage:

The citizen of a democracy should be guaranteed, as of right, enough food to maintain him in health. He should be assured of a minimum standard of shelter, clothing and fuel. He should be given full and equal opportunities of education. He should have leisure and facilities for enjoying it. He should be secure against the risks of unemployment, ill health, and old age. Above all, the presence of children should not be allowed to bring with it misery for the parents, deprivation for the children, and poverty for all.

The minister was quoting the words of one Mr. Crowther.

I wish to refer to one more quotation he made, which I think is important, too. This time he is quoting from a noted American thinker who has made a similar list of humanity's basic aspirations as follows:

1. The right to creative work and profitable and useful employment.
2. The right to an adequate standard of living measured by the productive capacity of a nation and the right to an equitable distribution of national income.
3. The right of the worker through collective bargaining with his fellow men and by other

means to subsequently share in the management of the industry to which he has devoted his labour and his life.

4. The right to security against the hazards of unemployment, accident, illness and old age.

5. The right to the best service science can provide in the maintenance of health

6. The right to leisure and its effective use.

7. The right to education, considered as the central element of the good life.

These two passages came to my mind the other evening when several thoughtless ones were twitting the hon. member for Macleod (Mr. Hansell) about "$25 a month". I wonder whether those who did that, some of whom are in the Liberal party, were aware that in large measure they had been committed to something far exceeding $25 a month, in the quotations which were cited with approval by their minister of pensions. I wish to commend the minister for his speech; I wish to commend him for the selection of quotations with which he enriched the speech, and I urge upon him and upon the government that they accept no equivocal statements whatsoever, that they utterly insist that want and fear be abolished.

The committee, if it examines witnesses who can tell how these things are to be brought about, and if it listens to them, will have conferred upon the people of Canada one of the greatest services conceivable at the present time. I would urge that the committee should not be satisfied with anything less; and may I point out to the committee before it starts that the system which is being used to-day in Canada will not and cannot guarantee these things.

Inasmuch as the whole question of reconstruction is mentioned, the committee should call witnesses and authorities and receive papers which will satisfy it that there is not in this dominion a group of men, cooperating with a similar group in the other self-governing dominions of the British empire and in the United States, who are seeking to destroy the sovereignty of this state and to bring this country into a union called "Federal Union" or "Union Now," or some other organization which will take away the sovereignty of this state and thereby destroy its ability independently to attack this problem of internal reconstruction. For if this state is to be in any way affected by the decisions of outside states in trying to grapple with its internal problems, I submit that the problem confronting Canada will be utterly hopeless.

I therefore commend to the committee two very serious questions: first, the one of insuring freedom from want and freedom from fear; second, the problem of ensuring that Canada shall maintain her sovereignty and shall not be inextricably bound up with any group of nations in such a way as to make an unutterably intolerable situation for this country.

Hon. R. B. HANSON (Leader of the Opposition): As I read the resolution, the minister is referring the subject matter to a select special committee for the purpose of reporting to the government on what should be the method of government policy. After all, the government has a responsibility, and I suggest that the course adopted by the minister is not the proper one. I have no doubt he has a policy; the fact has been indicated on more than one occasion; and I believe it is the duty of the government to communicate that policy to parliament, to give the lead to the country in a considered statement made to this house, not to send the subject matter to a special committee to make a policy for the government.

I had not thought that this matter would come up to-day. I supposed there were other important matters which would be discussed and entered upon at this time. It is quite evident that the committee cannot be more than set up in the remaining days of this week and that the whole subject matter will go over until after the recess. It seems evident from the extent of the subject matter to be discussed that the committee cannot reach final conclusions at this session, and that the inquiry will have to be resumed at subsequent sessions of parliament. My suggestion to the minister is that he withhold this motion until after the Easter recess; then make a statement of government policy in this house—where it should be made—and, with that as a lead, refer the matter to the committee.

After all, the government must have a policy on this question of reconstruction. That is the constitutional responsibility of the administration, and one which has always been recognized in days gone by. That is the position the government should take, and I suggest it is the course the minister should now follow.

Mr. ANGUS MacINNIS (Vancouver East): I do not wish to discuss this resolution. My purpose is to commend the minister for bringing it forward and to express the hope that the committee will be able to deal effectively with the tremendously important questions involved. I wish however to associate myself with what the leader of the opposition (Mr. Hanson) has just said. I think the minister should have made his statement to the house and not to the committee. Later this afternoon I shall have

something to say on the question of how this house is being ignored by the government, and this is just another illustration.

I would call attention to the importance of the resolution. The committee is being appointed to study and report upon general problems of reconstruction and reestablishment which may arise at the termination of the present war, and all questions pertaining thereto. I am sure the minister and hon. members generally will agree that that is a colossal undertaking, because when the war is over, whenever that blessed time may come, we shall be faced with the disruption of the economic and social conditions within our own country. We shall be faced likewise with dislocation of trade as between countries, and we shall be faced with the condition that always follows war, namely, the unsettled state of mind generally and the unsettled political conditions not only within nations themselves but as between one nation and another. The committee will be faced with the question of charting Canada's course in the midst of these tremendous problems.

The hon. member for Lethbridge (Mr. Blackmore) referred to the danger of this country losing its sovereignty. A great many countries have already lost their sovereignty, and they have not lost it to any federation or federal union. They have lost their sovereignty because they did not see far enough in advance the necessity of cooperation between nations with a view to preventing such a result. If we are to be in a better world in the future than we are in at the present time it will be because the nations of the world are prepared to give up a certain amount of sovereignty in order that they may have security.

Mr. O'BRIEN: I suppose it is safe to assume that this is for civilian reconstruction and rehabilitation.

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. E. G. HANSELL (Macleod): For some time I have been waiting for some such action on the part of the government as seems to be embodied in the proposals which the present committee is to be set up to study. I recall that at the last part of the last session of parliament, in November—I believe, it was on the last day—I asked the Minister of Pensions and National Health (Mr. Mackenzie) when we might expect a report from the government on its plans for post-war reconstruction. As I remember, he answered the question by saying that some such report would be made at this session. I have been waiting patiently for that report to be brought down. I refer to what I believe would have been the report of the seven-man government reconstruction committee. As I have been patiently waiting the minister has brought down one or two bills with respect to civil reestablishment and a proposal for some land settlement scheme, but in these proposals I have not been able to detect any real or vital policy for a post-war reconstruction programme. The leader of the opposition has just said, and his words were well spoken, that the government should bring down to this house its policy on post-war reconstruction. Personally, I do not believe the government has any vital policy on reconstruction if all it has in mind is to find jobs for men after the war is over. To my mind that is no policy in connection with reconstruction; for if we are to have a type of reconstruction in Canada, as associated with other nations, for a world reconstruction, it must be the type of reconstruction that will learn war no more. Simply giving men jobs is not going to do away with the fundamental and underlying evils that breed war one generation after another.

I am not going to take time to go into all the details of what might be involved in these underlying evils. I simply say that giving men jobs is not going to solve the problem. It seems to me to be just like the attempt to bring back a sick patient to complete health and strength by calling in the doctor, trying to diagnose the case and then saying, "Now the best thing we can do to prolong the life of the patient is to change the bedclothes and put the patient in another bed so that he can rest more comfortably." That does not touch the cause of the disease. I suggest that there are movements going on in the world to-day which will take from us not only our sovereign rights but the freedoms for which we are now fighting. We have already heard of the proposals known as federal union or "Union Now." I suggest something which I believe the government and the house already know—that the proposals of "Union Now" are proposals to perpetuate that which has brought on war after war for generations. It was the thing that brought on the war of 1914; it is the thing that gave rise to dictatorships; it is the thing that brought on the present war, and it is the thing that will plunge the world into another war after this, if it is not completely rooted out.

Mr. MARTIN: Nonsense.

Mr. HANSELL: The hon. member for Essex East (Mr. Martin) says, under his breath, "nonsense". If he is an exponent of the proposals of "Union Now"—

Mr. MARTIN: I did not say that.

Mr. HANSELL: Well, I thought I heard that. If he is a proponent of those proposals of "Union Now" he has a right to say so. But the committee should call in for examination men who do believe in such proposals and try to find out where those proposals will eventually lead this nation and the world.

Mr. MacNICOL: What proposals?

Mr. HANSELL: The proposals known as federal union or "Union Now". I am not going into all the details, but in substance they believe in a world currency based on gold; in an international police force, which is the maintenance of a standing army and navy under the control of one central power, and in a world judiciary. Put that trinity of evil together and what chance has a small nation to exercise its own God-given democratic rights?

Mrs. CASSELMAN: What chance has it now?

Mr. HANSELL: It has no chance now. We are fighting against a tremendous military power that is attempting eventually to rule the world. We want to defeat that power and maintain our own democratic rights. Underlying this there is another power just as vicious, a centralized power, seeking to rob us of our democratic rights. As the nazi power is attempting to do it by military force, the other power will attempt to do by an international banking conspiracy. That is the position, and while we may win on the one hand we may lose on the other.

All I am saying is that the committee should go into these matters in minutest detail. We have as chairman of the seven-man committee of the government a man who we have reason to believe is very nearly an exponent of the proposals of that same "Union Now". I refer to Doctor James, principal of McGill university, who on one occasion ran off to Washington and who I believe is now in England. When the hon. member for Acadia (Mr. Quelch) last week brought that to the attention of the Minister of Pensions and National Health the minister said he could tell the house that Doctor James was not running this government. Those words were sweet music to my ears. Nevertheless Doctor James is chairman of that committee, and I say that the proposed committee of the house should have the right to call Doctor James to the stand, put him under oath and keep a record of what he says so that we can learn exactly what is going on behind the scenes.

Canada is in an excellent position to give leadership in connection with post-war reconstruction, and in particular to tell the world right now that we will not stand for this government or this country being taken back into a system based upon gold and controlled internationally. I say Canada is in an ideal position to do that, because in spite of criticism one way or another, Canada is playing a vital role in the present world conflict. We are supplying Great Britain with vast quantities of munitions and supplies, and we have reason to believe that we are of tremendous help to the United States of America. Just last night we gave second reading to a bill to give Great Britain one billion dollars this year with which to buy Canadian production. Canada therefore is playing an important part in the present world conflict and is in an excellent position to give leadership in this whole matter of world reconstruction.

There is another question I should like to deal with for a moment. I have forgotten the exact words used by the hon. member for Vancouver East (Mr. MacInnis) as he rose just now, but in sum and substance I think he said that the danger is that the people do not see far enough ahead. That perhaps touches the crux of the whole situation with respect to movements that are taking place in the world, including Canada. I have always said, and I think hon. members will agree, that strong leadership is leadership that will lead and not follow. In order to lead, a leadership must inform the public so that an informed public will go step by step with them. But the fact is that things are put over on the public. I am fearful that in our post-war reconstruction the very thing I have protested against will again be imposed upon the public. I am anxious to see the present government and the government that will be in power when the war ends give outstanding leadership in the reconstruction of the post-war world. In order to do that they must have the people with them. In order to have the people with them the people must be informed. Facilities should be made available to inform the public on every phase of an issue. I am not going to say I should be satisfied with simply printing a report of the committee's proceedings; I suggest that the widest publicity be given to it, and equal publicity to every phase of post-war reconstruction, so that the people may be informed of the benefits of one thing and the dangers of another.

I had intended to speak on this matter at some length. The motion, however, was brought down rather suddenly. It was given the usual notice in the *Votes and Proceedings*, of course, but as the leader of the opposition has already said, if we had a little more time on this matter I think the house itself would

have gone to some length in its discussion of post-war reconstruction. You see what is happening now. Here is a motion to set up a committee. If we want to talk on post-war reconstruction, we had better do it now. When this motion passes the committee is set up, and then everything will be done by the committee. Reports will be made to the house, but if my prognosis is correct a motion for concurrence in the reports of the committee will not be made, so that there will be no opportunity to discuss these matters unless we do so on some general topic. Do I understand that the minister has promised the house that time will be given for adequate discussion when the reports of the committee come up in the house?

Mr. MACKENZIE (Vancouver Centre): Certainly.

Mr. HANSELL: That is music to my ears, too, Mr. Speaker, because it is my profound conviction that if the fundamental evils of our entire system are not corrected, we shall not solve our problems after the war is won.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I just want to support the view of the leader of the opposition (Mr. Hanson), that a full statement of what the government has already done, and perhaps what it has in mind, should be made before this committee is set up or this matter sent to the committee. I do not intend to prolong the debate; there is a great deal of important business to be done, but I do want to impress upon the minister my support of the suggestion of the leader of the opposition that before this committee is set up and this subject matter referred to it, the minister should make a full and complete statement to this house in order that we may know what has been done and thus be prepared to discuss the question later. I may add that to no other group in the house is the appointment of this committee a matter of greater satisfaction than it is to us, but we would appreciate a full statement by the minister before the reference to the committee of the subject matter of the resolution.

Mr. J. H. HARRIS (Danforth): I notice, Mr. Speaker, that the hon. member for Danforth is to be on this committee. I remember the magnitude of the problem along these lines, in connection with reconstruction and rehabilitation, that had to be faced at the end of the last war. I remember that those who at present occupy the treasury benches made very strong representations across Canada that sufficient was not being done, and later made many promises as to what would be done, for those who were returning from world war No. 1. So much was this propaganda spread across Canada that after the election of 1921 hon. gentlemen found themselves in power. Since that time I cannot remember having the honour and privilege of serving on any committee dealing with these questions until after a statement had been made to this house as to the detail of what the committee was being set up for, and what the ideas were in the mind of the minister in charge.

At the present time we have a very able minister in charge of this department, whose responsibility it is to keep up to the minute on every phase of this very important subject matter. No one in this chamber is better qualified than the minister to give a lead to hon. members as to what might or what ought to be done. I realize that we are anxious to approach this problem from a non-partisan point of view, but we must have some starting point. During the days when hon. gentlemen opposite occupied the benches which we at present occupy, I think perhaps not only the minister but also the Prime Minister (Mr. Mackenzie King) will remember their anxiety that we should have responsible government in Canada by a responsible administration. To my mind the very essence of responsible government is that in connection with a matter of this kind the government charged with responsibility shall give the house its policy.

It may be said that the war is still going on, and that this policy cannot be properly enunciated now. That may be quite true, but we should like to know what has happened during the last ten years. Would it not be possible for the minister to bring us up to date as to what facilities will be available when the time comes? All this information is in the department, but in fairness to this house we should be told, before this committee is convened. The minister must give us some lead. Of course that will not be final, because the war is not over. It will be amended first by the members of this committee, when they have the benefit of the presentations that will be made by those appearing before them. But at least we should be brought up to date and should not be sent out into the wilderness without knowing where we are going or whether we are right or wrong. Then as one year follows another the policy can be further amended, following further declarations by the minister.

If the minister does not make a statement on these matters now I should say he has failed in his duty in connection with the introduction of this resolution. We are all

anxious as to what will happen when this tragedy of war is over, with regard to those who will return. That is the first point. We are anxious too with regard to those who now find themselves in profitable employment, and we are concerned with those who are dependent upon the first two groups I have mentioned. If a statement is made by the minister now, the morale of Canadians in all three groups will be greatly strengthened. They will know that we are about to consider the matter, and they will know that a responsible minister has given some lead. But if we set up a committee and start on a fishing expedition as to what might be done, we may be submerged by all kinds of hare-brained ideas coming from all sections of the country, and we may fritter away our time looking into matters which no doubt already have come to the attention of the minister in his study of this reconstruction problem. On the other hand if we had the considered opinion of the government as to what might be done, and were assured that all the frills and fads were eliminated, we could give our attention to the very kernel of the problem. We could bring back an up-to-the-minute report, so that the country would know that this matter had had careful and sound consideration. In the other case we go before a committee and wander from one thought to another, or one subject to another without having governmental responsibility as a basis. I strongly urge upon the minister that he give consideration to the thought expressed by the leader of the opposition (Mr. Hanson) and, as I gather, approved by hon. members sitting to our left.

Mr. BROOKE CLAXTON (St. Lawrence-St. George): Mr. Speaker, next to the measures directly related to the carrying on of the war, this is, in my opinion, the most important measure to come before the house at this session. Like other hon. members, I had not expected it would be reached before the recess, but I take this opportunity of placing before the house as briefly as possible, without preparation, one or two views on the matter.

I wish to emphasize with all the strength of my being the importance of the resolution and of the work the committee will undertake. Next to winning the war, or to any measure directly connected with that undertaking, we could not spend our time in any more profitable way. I am glad that hon. members have refrained from saying, as some newspapers have said, "Let's get on with the war, and postpone any talk about post-war matters until the war is over." Unless we talk about post-war matters during the war, we may not have a post-war world. I would be the first to say that we ought not to spend a minute on this discussion if I thought that by continuing it we were postponing the making of a single shell. On the other hand I believe that discussion such as we are having to-day, and the work of the committee which will flow from it, will make us fight better. It will give us something more positive than we have yet had to fight for.

We can base the emotions which direct and charge us in fighting this war on hate, or we can base them on the hope that something better will come from victory. My belief is that our war effort will be far stronger and far better than the enemy's if we do not follow the line of hate, but rather choose the line of hope and work for the realization of that hope during as well as after the war. I believe that our people will fight better, that they will give their blood, and their sweat and their tears more freely if they believe that in consequence of what they are giving they will not return to periods of scarcity and unemployment, but have some reasonable expectation of attaining better conditions than we have known before.

This subject is being discussed everywhere throughout the world, both on our side and on that of the enemy. Hitler has laid out his plan of a new world order, and one of the great motivating forces impelling his armies, so far so successfully, is the hope that that new world order will be realized. Hitler has used the forces of propaganda and ideas to fight for him. We have better ideas than he has. We have a better system of government, and we have a better civilization; otherwise we would not be fighting at all. But in the past we have stopped short of making our ideals fight for us, as they should.

Everywhere among the allied nations I find that discussions of this kind are going on. I spent the week-end attending an exceedingly interesting conference at Williamstown, under the auspices of Williams college. To that conference men came from all parts of the eastern United States to discuss this subject. The consensus of those men, experts in their various fields, was that in order to have the united nations make their utmost effort it was necessary to clothe the bare bones of the declaration of those nations with something more positive than we yet have had. There was the feeling that the united nations must have common ideals for which they are fighting. Up to the present we have not made our union effective; we are fighting separate wars rather than one war. This is a global

war. We are fighting Hitler and the forces of the axis powers everywhere, and one front is as important as another.

With respect to the post-war objective of the work of the committee I should like to say one or two words. I do not think anyone has yet realized the magnitude of the job which will face the government of the day that will deal with the post-war problem. If we stopped the war to-day we would have 10 per cent of our population directly engaged either in the active fighting forces or in the making of munitions. Would their work stop? Would they become unemployed? What machinery would be provided? What controls, what construction projects would be necessary to provide employment for that 10 per cent of the population, until our economy began to function properly again? This can be judged by a single figure. In 1942 the nations of the world will make 150,000 aeroplanes. In 1939, to supply the commercial airways of the entire world with normal replacements and additions, 250 planes were required. The difference between those figures is some indication of the magnitude of the post-war problem, from the point of view of employment of war workers alone.

Then, let us consider it from the point of view of the constitution of Canada. At the end of the last war two cases were decided by the privy council which held that the government's power under the War Measures Act ceased with the termination of hostilities. If those decisions were to be followed at the conclusion of this war, the government would not be able to do any of the things which ought to be done to carry on the life of the country with the controls and powers it exercises through the War Measures Act. So consideration should be given by the committee—and I hope later by the government—to the constitutional questions involved.

Perhaps we may decide—I hope so—to build half a million houses in Canada within five years after the war. We cannot have a housing project of that nature unless it is done as a national enterprise, and with nation-wide powers. So I suggest that here is a field of study which the committee might properly take up in the course of its work.

The problem of unemployment must somehow be licked. Everyone has known for years that the world can produce enough food and necessities for every man, woman and child—brown, black, white and red—on its surface. But we have not learned the technique of production and distribution well enough, particularly distribution. To-day the working forces of the world are at work. In Canada they see the full dinner-pail for everyone at a time when we are engaged in manufacturing things to be used for destruction. We see that happening in Canada at a time when we are reducing our external debt and giving to Britain more than twice as much as we ever sold her in any year before, and people are asking themselves: If that is possible in war, why not in peace? That question is going to be a very difficult one to answer unless the answer is: Yes, we can and we will do it. That is a simple question to the men overseas and the workmen in the factories of Canada. It is going to require complicated answers to show that it is not possible or that it should not be done. I suggest that we must strive to reach the stage after the war where there will be virtual full employment, or governments will go.

Everywhere we see under consideration plans, internal and external, to provide the maximum amount of employment. An exceedingly interesting book has just been issued by Alvin Hansen, the American economist, on precisely that subject. He believes that full employment can be obtained in the United States and that it would be the greatest contribution by the United States to post-war settlement. Measures to provide maximum employment are under consideration everywhere, but it is obvious that it cannot be done by any nation alone. That we have to cooperate is just as evident as that day follows night.

I am completely with my friend in the southeast corner when he said that freedom from want and freedom from fear are two objectives which must be realized, and I certainly agree with him in his remarks about the plan, "Union Now". On the other hand, I say that what we want has to be done by a combination of external and internal measures, springing from a realization for the first time by the nations of the world that they are interdependent and that the world is one, and by their beginning to tackle problems which they can face together but which they cannot face alone.

I suggest that if it is possible the proposed committee should secure the views of outstanding people from other countries. It is of the utmost importance that in this matter we make sure that our thinking in Canada takes account of the thinking in other parts of the world—in Britain, where there has been a great deal of work done, in the United States, and in the British dominions and the countries of the united nations. I suggest that that study can be carried on effectively only if it is carried on in close correspondence with our opposite numbers in other countries of the

world so as to make sure that we are beginning to think about the same things at the same time and beginning to decide on similar lines of policy that must be followed if success is to be achieved.

Finally, may I say that in the plan of a post-war world or post-war reconstruction I do not think any blueprint can be laid out in detail now. What can be done is to see the nature of the problem, consider its magnitude, consider the kind of objectives that must be worked for and the kind of means that must be followed, and then gradually set up the machinery by which the transfer from a war to a peace economy is to be effected.

We are fighting in this war for survival. We are not fighting for anything else at the moment. We are fighting to defeat Hitler. Victory is a prerequisite to lfe. Life would not be worth while without it. But victory will not give us any more than a chance. Having achieved it, all it gives us is a new start. We shall have a chance of avoiding the mistakes we made after the last war. We have had twenty years of experience, of development in understanding, to guide us. But it will be hopeless if suddenly the war comes to an end and peace comes on us and catches us unprepared. It will produce nothing but chaos in our thinking and chaos in our organization. We may then have a call for a khaki election and for this and that. We shall fail to serve our best interests unless we are prepared and the people are prepared by thinking of these problems now. To have a khaki election might have results as disastrous as the khaki election in Britain after the last war and after the south African war, two elections which produced perhaps the two worst governments that country ever had.

The problem is imminent. We have been at war for two and a half years. I dare say that everyone in this chamber hopes, although it is not certain, that we may have victory within another two and a half years; but if we have done no more in the next two years than we have been able to do in the past to prepare for peace, victory and peace will catch us unprepared, and we shall then have to pay the penalty of our unpreparedness.

In order to make our utmost effort, Canada along with the united nations must have faith that, in consequence of that effort being made, we shall get, not only victory, but the chance to work for a better world than we have ever had before and the probability that we are going to get it. But to achieve this, the united nations and the peoples of each of the United Nations must share their views and ideas, create habits of thinking together, build confidence in each other and in their ability to carry out their purposes.

Our aim to defeat the enemy is only a stage. The need for a united will and united action goes far beyond victory. We must see that the four freedoms which President Roosevelt defined for the world belong to us and to our children, the children of Canada, and children everywhere in the world.

Mr. CLARENCE GILLIS (Cape Breton South): Mr. Speaker, I notice that I am a member of the proposed committee. But first I want to say that the busiest time I have in this house is when I am trying to decide whether something I have to say is relevant to the matter under discussion. Many times I have risen to say something which I have considered important and intended to state briefly, only to be declared out of order. Most of the discussion that has taken place here this afternoon I consider a waste of time, and being Scotch, I do not like a waste of time. The Minister of Pensions and National Health (Mr. Mackenzie), following the discussions which have taken place on this subject in the house for the past two years and a half, has brought in a resolution to set up a committee to study the subject matter of those speeches. The committee that has been set up will, in my opinion, have very little to do with settling these questions, because my understanding is that there has already been a committee studying this problem for the past two years, and that the committee now being set up here under this resolution is merely instructed to study and report to the house on reconstruction and reestablishment after the war. The committee has no authority to do anything except gather information and pass that information on to another committee, which, in the final analysis, will decide what is going to be done about this problem. That is my understanding of the appointment of this committee, and I think we might very well adopt this resolution without further discussion, because frankly I am not hearing anything this afternoon that I have not been listening to for the past two years.

I rose particularly to ask the Minister of Pensions and National Health whether the committee which had been studying this problem for the past two and a half years has complete and final say in the matter of rehabilitation.

Mr. MACKENZIE (Vancouver Centre): Absolutely not. Their only function is to make recommendations in regard to procedure with reference to future policies to be adopted. They have no authority whatsoever.

Mr. GILLIS: And this select committee is to be appointed for the purpose of gathering

information and passing it on to the smaller committee, which in turn will boil it down and make recommendations to the government?

Mr. MACKENZIE (Vancouver Centre): May I explain to my hon. friend? Last year, at the request of many members of this house we had a committee on soldiers' rehabilitation, of which my hon. friend was a very able member. Immediately we met we called in to give evidence the committees which had been working under my direction for some twelve or fourteen months, so that the parliamentary committee of this house might be made thoroughly familiar with all the progress which had been made in the meantime by the interdepartmental committees which had been studying these various problems. I would imagine that exactly the same procedure would be followed in the present instance.

Mr. GILLIS: The only difference I see is that the committee on pensions drafted their own report. They boiled down the evidence submitted and tabled in the house their own report. My understanding of this committee is that they will not do that—

Mr. MACKENZIE (Vancouver Centre): Oh, yes. Certainly.

Mr. GILLIS: —that they will merely report to the cabinet committee.

Mr. MACKENZIE (Vancouver Centre): No. They will report to this house.

Mr. GILLIS: I should like to have an understanding of this question of when one is in order and when not in order. I do not care if we discuss this question of rehabilitation for the next year. The hon. member for Danforth (Mr. Harris) warns us of what may happen if we do not do what we did after the last war. Let me say that if we do not do more than that, personally I do not want to be living in this country when the army that is overseas comes back.

I do not agree with the statement that hon. members are not getting enough work, and I have no wish to sit on a committee merely to make an addition to my work; that is not a sufficient reason. I have more work now than I can do. But I consider this is the most important job I can go on. As a member of that committee I am not going there to waste time. If any hon. member outside the committee has definite views on the subject and wishes to present them, I personally should be pleased to hear him, and will use what I learn to the best advantage.

The terms of reference in this resolution are very broad, and as far as I am concerned I am going to make full use of the latitude it allows.

Mr. FRASER (Peterborough West): Has this committee power to arrange for service clubs in the municipalities, manufacturers, and others, to list jobs which can be done after the war?

Mr. MACKENZIE (Vancouver Centre): Yes. As a matter of fact, that work is now being done by one of the subcommittees.

Mr. J. R. MacNICOL (Davenport): I am very happy to see my name on the committee, because during the past few years I have been making an exhaustive study of this question, mostly in the direction of a survey of public resources. In the course of much travel I have found that vast resources in this country are tied up, and have been for many years, by interests of one kind or another. I have in mind a very large area said to contain hundreds of millions of tons of high-grade coal. Upon making inquiries why no coal was being mined, I was informed that the property belonged to a certain estate, which had held it for many years. I hope the time will come when this country will forbid the retention of unworked natural resources by private interests beyond a reasonable length of time. I do not believe that they should be permitted to profit to the extent of millions of dollars because other properties in the neighbourhood have been developed in the meanwhile. Another example which occurs to me is a site not many miles east of Ottawa, and well known to most hon. members, where from a million and a half to two million horse-power can be developed, should have been developed, and should now be in use for the production of munitions with which to fight this war; yet there are no signs of development. I hope the committee will not be precluded from recommending the development of such national resources. When the government of Canada or of any province gives such rights to private individuals, there should be inserted in the contract a time limit within which the resources shall be utilized; otherwise they shall revert to the crown.

Mr. NORMAN J. M. LOCKHART (Lincoln): May I also add a word, more in the form of an interrogation of the minister? It is evident, both from the minister's brief statement and from the information in the hands of hon. members, that considerable inquiry has been made into this problem, particularly during the past two years. The minister has said that he is going to make

a statement to the committee and not to this house. May I ask him whether, with all the information which has been gleaned up to the present, the government is not now in a position to make some definite statement as to its policy of reconstruction after the war, so that when the committee retires at Easter all hon. members will be in a position to direct in some way the deliberations of the committee after the recess? I should like to know why that statement has to be deferred. Is it because the government has as yet no policy for reconstruction which it can submit to the house, and, instead of giving leadership, is looking for further light before enunciating some policy? I do not want the minister to assume that my criticism is biased by political considerations, but it is a fact that back home the people are asking the question; returned men of the last war, too, are asking the question, and we are, so to speak, wandering in the wilderness if we do not get something definite to work on. It seems to me that the government has had sufficient opportunity to give some light to the committee, and that other hon. members should have something which they can pass on during the Easter recess.

Mr. G. H. CASTLEDEN (Yorkton): I am in agreement with the hon. member for Cape Breton South (Mr. Gillis) when he says that he thinks a lot of this discussion should take place in committee; but, since this resolution is almost identical in substance with that of a motion which is on the order paper in my name, I would ask permission of the house to withdraw my motion at this time.

I would also draw to the attention of members of the committee that it has to deal with reconstruction, and its assignment to the study of reconstruction implies that something in the past has failed and that we are to build something new. Proposals to reestablish parts of an old system which have failed will not receive very kindly consideration.

As a member of this committee, I shall work with everything I can to contribute something, in the hope that it will prove of more value than some of the promises which have been passed out from this house in the past. I wish it good luck.

Mr. D. G. ROSS (St. Paul's): As a member of the banking and commerce committee of 1939 I suggest to the house that there was at that time an interesting discussion in regard to banking in Canada, the mechanics of financing and so forth, and it might be useful if the banking committee were given some information with respect to the present-day financing of Canada so that the public might understand what is going on and what the prospects are for financing in the future. Information could be obtained by the banking committee which would be very useful to the reconstruction committee. I suggest that there might be some meetings of the banking committee, such as we had in 1939, and I would also commend to hon. members, as very interesting reading, the summary of the report of the banking committee of that day.

Hon. IAN A. MACKENZIE (Vancouver Centre): I am rather surprised at the way in which this debate has developed this afternoon. Especially am I surprised at the remarks of the leader of the opposition (Mr. Hanson). Looking at *Hansard* of March 5 of the present session, I find that my hon. friend specifically asked this house to set up such a committee as is now being organized for the purposes which are outlined in the language of the resolution. A similar request came also from the hon. member for Rosetown-Biggar (Mr. Coldwell).

Mr. COLDWELL: Not quite in the same form.

Mr. MACKENZIE (Vancouver Centre): Probably not. It came, too, from several other members of the house. Hon. members will recall a resolution which appeared on the order paper in 1940, placed there by the Prime Minister (Mr. Mackenzie King), which was withdrawn with the unanimous consent of the house because of the tragic war episodes of those days.

I have refrained from taking up more of the time of the house this afternoon in describing in detail all the workings of the reconstruction committee of last year. I had an address ready which I could have given. I appreciate as strongly as any member of the house the importance of devoting attention to post-war reconstruction, but I agree with the hon. member for Vancouver South (Mr. Green), who said last night that there is something more urgent just now in Canada than post-war problems, and that is guaranteeing that thing without which reconstruction will never be possible, namely, the winning of the war to ensure victory for our arms and our cause.

The first essential of reconstruction is the attainment of victory, because if we do not win the war, if we do not bend all our efforts and energies toward that end, we shall all be reconstructed by someone else. On the other hand, I agree that there is nothing, next to the winning of the war, which is more important

than a planned and careful study of the problems of the aftermath. They are giving attention to this question in the United Kingdom and they are doing the same in the United States. I have been in touch with the organizations in those countries. We are exchanging correspondence with the committees concerned, and I venture to say that just as we are to-day the most advanced country in the world from the point of view of legislation which we have already passed with reference to our service men in the present war, so we have gone further in our studies with regard to reconstruction than they have done in the republic to the south of us, and certainly in the old country.

Four or five subcommittees have been formed by the committee, exactly as was done last year by the committee on the rehabilitation of soldiers, and about twenty major studies have been entered upon, some of which are completed, in regard to practically every phase of our economic life and structure in Canada. I would ask my hon. friends, did we not succeed very well last year when we called before the committee on pensions and soldier problems those men who had devoted month after month to the study of these problems. The committee itself had before it the most complete details with reference to every single suggestion that had been advanced. In its wisdom the committee made a report to parliament and 90 per cent of the report has been implemented by legislation since that time.

Surely, therefore, the proper procedure at this time is to refer the matter to a committee of this house, and the parliamentary committee can call in those six distinguished gentlemen, men representing every walk of life, who have been so kind as to give their time to the question. There is a subcommittee on post-war employment headed by the veteran labour leader, Tom Moore. There is a committee dealing with the point referred to by the hon. member for Davenport (Mr. MacNicol) in connection with the conservation of resources. There is a committee dealing with public works in the dominion, under the chairmanship of the chief engineer in the department. There are, as I say, six subcommittees in all, and twenty different investigations are proceeding at the present time.

I suggest, therefore, that I took the wise course in asking as briefly as possible, in order to save the time of the house, so that the immediate and urgent problems which the Minister of Finance (Mr. Ilsley) has before him may be proceeded with, that this matter be referred at once to the committee. The committee will meet after the recess; there will be available for it complete direction in the line of its investigation, and there will be presented the first day of the committee, a complete programme which will occupy its members far longer than the present session. I suggest that the resolution pass immediately so that the Minister of Finance may proceed with the very urgent resolutions he has before the house.

Motion agreed to.

RAILWAYS AND SHIPPING

APPOINTMENT OF COMMITTEE ON ACCOUNTS AND ESTIMATES OF GOVERNMENT-OWNED TRANSPORTATION LINES

Hon. P. J. A. CARDIN (Minister of Transport) moved:

That standing order No. 63 of the House of Commons, relating to the appointment of standing committees of the house, be amended by adding to the standing committees of the house, for the present session a standing committee on railways and shipping owned, operated and controlled by the government, to which will be referred accounts and estimates and bills relating thereto of the Canadian National Railways, the Canadian National (West Indies) Steamships, and Trans-Canada Air Lines for the present session, for consideration and report to the house; provided however that nothing in the resolution shall be construed to curtail in any way the full right of discussion in committee of supply; and that the said committee consist of: Messrs. Bercovitch, Jackman, Bradette, Hazen, Donnelly, Dubuc, Emmerson, Ferland, Gray, Shaw, Hanson (Skeena), Harris (Danforth), Howden, Howe, Lockhart, Nicholson, McCulloch, Maybank, Parent, Pouliot, Ross (Middlesex East), Sanderson, Sissons.

Mr. HANSON (York-Sunbury): I have not looked at it, but I assume this resolution is in the usual form.

Mr. CARDIN: Exactly.

Motion agreed to.

PRIVILEGE—MR. HANSON

REFERENCE TO REMARKS OF MR. LACROIX (QUEBEC-MONTMORENCY) IN DEBATE ON MARCH 20

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): I desire to ask the Minister of National Defence a question on a matter of public importance, and also, I think, on the ground of privilege. During the debate on the United Kingdom financing resolution on Friday last, the hon. member for Quebec-Montmorency (Mr. LaCroix), as reported at page 1494 of *Hansard*, made reference to a certain report, No. 47, sent out by the military intelligence section of the Department of National Defence, entitled "Summary of Intelligence from Military Districts", and he

read paragraph 13, which he stated included a report from the intelligence officer of the fortress of Halifax. My questions are:

1. Has the attention of the minister been called to this portion of the hon. member's speech?

2. Will the minister advise the house how the hon. member came into possession of what I assume to be a confidential military intelligence release?

3. What does the minister propose to do about the matter in the premises?

Hon. J. L. RALSTON (Minister of National Defence): The hon. member told me that he intended to ask about this matter. May I say categorically that my attention has been called to the report of the speech to which he refers.

Secondly, with regard to the matter of how it got into the hands of the hon. member I have not the faintest idea. I can only say that whoever gave it to the hon. member gave it without authority and in complete breach of duty, and that a most rigorous investigation is being conducted to ascertain who was responsible for the hon. member obtaining this copy. Further, I want to say that intelligence reports of this class are solely for the secret and confidential information of certain senior officers at National Defence headquarters and of district officers commanding. This particular class of report has, I understand, the most limited circulation of any reports of the Department of National Defence.

I note that the report of the speech refers to it as propaganda. Reports are not propaganda in any sense of the word; they are confidential reports on all sorts of conditions as the officer reporting sees them. Their weight, of course, depends on the capacity of the officer who happens to prepare them. As I have said, the report was given to the hon. member without authority and in breach of duty, but the responsibility for making it public and propaganda devolves entirely on the hon. member who submitted it to this house. As is plainly stated, it is simply a report indicating what the officer considered to be the views of a section—I emphasize that because that is the word used in the report—of the active army. In no sense is it intended to represent the views of the army, or of the minister, or of any officer of the department. Intelligence reports deal, as the house will understand, with all sorts of views which affect men's thinking, no matter how unfounded or inaccurate the views may be. All that the report does is indicate that these different viewpoints exist.

[Mr. R. B. Hanson.]

I call the attention of hon. members to the fact that no conclusion whatever is drawn, and, contrary to what the hon. member said in his speech, there is not the slightest reflection in the world against French-Canadians who enlist in the army.

The hon. member asks what is proposed to be done about the matter. I have just indicated that the most rigorous investigation is being conducted to find out who was responsible for the hon. member receiving this copy, and appropriate action will be taken according to the circumstances. I also want to say that at some appropriate time when the opportunity arises, I intend to tell the house what has been and is being done in the Department of National Defence to recognize, support and make just as effective as possible the war activities of French-speaking Canadians as far as the army is concerned.

IRRIGATION

REPORT OF COMMITTEE ON LETHBRIDGE SOUTH-EASTERN WATER CONSERVATION PROJECT

On the orders of the day:

Mr. J. H. BLACKMORE (Lethbridge): I desire to direct a question to the Minister of Mines and Resources. Will he tell the house whether the report of the special committee appointed to investigate the Lethbridge southeastern water conservation project and to report thereon on February 17, 1942, is yet in his hands. If so, when will the report be tabled? If not, why does he permit the delay?

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend's question may stand as notice.

ALASKA HIGHWAY

ROUTE FROM EDMONTON TO FORT ST. JOHN

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): The hon. member for Davenport (Mr. MacNicol) asked me on one or two occasions about the route the Alaska highway is to take, and in particular how the road from Edmonton, on the south is to reach Fort St. John. The hon. member pointed out that there is only one bridge across the Peace river, that is at the town of Peace River, and he asked whether the road is to go over that bridge.

The answer is as follows: The Alaska highway proper, that is to say the road which is to be constructed as a result of the recommendation of the permanent joint board on defence, is to begin at Fort St. John, British Columbia, and follow the general line of the airports until it reaches the existing road system of Alaska. Existing roads in the country

between Edmonton and Fort St. John provide a choice of two or three routes, depending on weather conditions, between Grouard, which is west of Lesser Slave lake, and Grande Prairie. One of these routes is that referred to by the hon. member, namely that through Peace river which utilizes the highway bridge at that point and crosses back to the south side of the river by ferry at Dunvegan.

We have no information as to which of the available roads between Grouard and Grande Prairie will be used by the United States authorities in the case of equipment or supplies which may be taken by road to Fort St. John.

From Grande Prairie to Fort St. John there is only one road available, and this crosses to the north side of the Peace river by ferry in the vicinity of Taylor.

It is reasonable to suppose that most of the supplies and equipment to be used on the construction of the highway will be sent as far as Dawson Creek by rail. Dawson Creek is fifty or fifty-five miles south of Fort St. John.

WAR APPROPRIATION

UNITED KINGDOM FINANCING—WAR SUPPLIES, FOOD AND LOAN WITHOUT INTEREST

Hon. J. L. ILSLEY (Minister of Finance) moved the third reading of Bill No. 15, for granting to his majesty aid for the purpose of financing United Kingdom war requirements in Canada and for national defence and security.

Mr. M. J. COLDWELL (Rosetown-Biggar): Before the bill is read the third time, I wish to say briefly that I hope the minister will consider some method of dealing with the securities of Canadian industries and so forth, held in Great Britain. As I said last night, I have given a good deal of thought to this matter and I believe it is of some importance to the country in the post-war period. Last night I suggested that these securities might be considered as collateral to the loan of $700,000,000. It was suggested to me that perhaps to enforce the taking up of these securities from the people who now own them might involve some hardship, and that, instead, an arrangement might be made whereby an understanding could be reached with the British government so that in the event of any of the securities now privately held in Great Britain coming into the market for resale, particularly markets abroad, Canada should have an option on all such securities. That might be less drastic than I proposed yesterday and on previous occasions, but I believe it would, to some degree at least, safeguard this dominion and prevent the resale of any of these Canadian securities now held by British investors or in Great Britain on, say the New York or some other market, and to that extent our interests would be protected.

I feel, as I said yesterday, that we have made a great gift to Great Britain to the extent of $1,000,000,000, and I do not think anyone would expect this country to make an additional loan of $700,000,000 and forego the opportunity of asking that any Canadian securities now held in Britain, offered for sale, should be first of all offered to the Canadian government so that we may safeguard our interest in that connection.

Mr. J. SASSEVILLE ROY (Gaspé): (Translation) Mr. Speaker, before proceeding with the third reading of this bill for the purpose of granting Great Britain a gift of $1,000 million, I wish to record my opposition to the measure. This vast amount represents an average contribution of almost four millions and a quarter for each constituency in Canada. My electors have in no way authorized me to make such a gift. I followed very closely the discussions which have taken place here as well as those in committee. In all earnestness I have been unable to understand just how this financial aid of $1,000,000,000 would be more helpful to Great Britain in the form of a gift than in the form of a loan. Nor have I been able to understand what motive can inspire or explain the zeal manifested by some, a zeal which leads them to exhibit so false a patriotism. However, since this house has already accepted the principle, I suppose this assistance to Britain is as good as granted. Yet there is still time to amend its form. I therefore humbly propose to the hon. Minister of Finance (Mr. Ilsley) that this amount be loaned and not given outright to the United Kingdom. I trust that the minister will find this suggestion reasonable and that all members of this house will support it.

Motion agreed to, and bill read the third time and passed.

PRAIRIE FARM ASSISTANCE ACT

AMENDMENT TO PROVISION RESPECTING DECLARATION OF EMERGENCY YEAR

Hon. J. G. GARDINER (Minister of Agriculture) moved that the house go into committee on Bill No. 14, to amend the Prairie Farm Assistance Act, 1939.

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

On section 1—Declaration of emergency year.

Mr. HANSON (York-Sunbury): I did not know this was coming on; it was not on the agenda given to us last evening.

Mr. MACKENZIE (Vancouver Centre): Oh, yes.

Mr. HANSON (York-Sunbury): Then I am mistaken; but members of the committee from this side are not in the house at the moment. I do not understand that there is any contention about the matter, but I should like to ask the minister whether there was any objection to this in the agriculture committee, and what is the position. I have not followed the proceedings of the committee; I have no opinion on the matter, not knowing very much about it, but perhaps the minister could make a brief statement as to what it is all about.

Mr. GARDINER: There was considerable discussion with regard to the Prairie Farm Assistance Act, which is amended by this bill, after which the committee reported the bill without amendment. The main point of discussion was the question whether the provision now in the act to the effect that even after the 80-cent restriction on the government is removed, it still applies to the category that runs from eight to twelve bushels to the acre. In order to explain that, I may say that the act now provides that the government cannot declare a year an emergency year if the price of wheat is over 80 cents a bushel. We have removed that restriction; but the act also provides that when wheat is over 70 cents a bushel, so far as the category from eight to twelve bushels to the acre is concerned, for every cent wheat advances beyond 70 cents, 10 cents is taken off the amount paid. The total amount paid in that category is $1, so that when wheat reaches 80 cents that category goes out; and since we have increased the advance from 70 to 90 cents, this automatically puts that category out.

Most of the discussion in the committee was as to whether we should recommend back to the house that the government give consideration to amending that section of the act in order to put that category back in, and the committee decided, by a majority vote, not to make that recommendation. So the bill was returned to the house without amendment, as it now stands.

Mr. ROSS (Souris): I think the effect of the discussion in committee has been well covered by the minister's explanation. The only real argument was as to whether the eight to twelve bushel group should be maintained in some manner because, as the minister said, when the price goes over 80 cents that group goes out. We had a thorough discussion of that point, from all angles. I for one thought it should be maintained only as an emergency measure. Others, from northern and central Saskatchewan, felt that it should be maintained at all costs. However, all sides of the argument were presented and the proposal was voted down by the committee, so I do not think there is anything contentious in the bill as it now stands.

Mr. DOUGLAS (Weyburn): I only want to express regret that the committee did not see fit, and the government have not seen fit, further to amend this act in order to permit people living in townships where the yield is from eight to twelve bushels per acre to obtain these benefits again this year. When the bill was in the second reading stage—

The CHAIRMAN: May I point out to the hon. member that in debate in committee he cannot go beyond the scope of the bill as it received second reading and was referred to committee.

Mr. DOUGLAS (Weyburn): I am not doing that, Mr. Chairman. I am only pointing out that during the course of the discussion of this and the other wheat legislation there has been considerable argument as between distributing farm income on a bushelage basis and distributing farm income on an acreage basis. The argument has been made repeatedly that the fairest way to distribute income is on the acreage basis; and one of the principal reasons advanced for not raising the price of wheat any higher is that it is supposed to be fairer to distribute income on the basis of acreage. I merely want to point out to the committee that those who believed in that point of view are the very people who, by their failure to include that provision in this bill, are preventing large numbers of people from benefiting under the Prairie Farm Assistance Act. I think the figures placed on *Hansard* during the discussion on second reading show that between thirty and thirty-five thousand people each year, of those receiving benefits under the Prairie Farm Assistance Act, came within the eight to twelve bushel category. They constituted about 63 per cent of the number receiving bonuses, but now those people will be excluded from the ambit of this legislation.

I think that is unfortunate; I think it argues against all the theories that have been advanced by those who have been claiming in the house for the past two weeks that the fairest way to distribute farm income is on an acreage basis. This legislation is doing just

the opposite; it is reducing the distribution on an acreage basis and increasing the distribution on a bushelage basis.

When the matter was before the committee some of us moved an amendment that a recommendation be sent back from the committee asking this house to reconsider the bill and to amend the section in order to permit the eight to twelve bushel group to come in. Unfortunately that was voted down. If I remember correctly, the minister intimated that he was not prepared to recommend it to the cabinet in council. I think that is too bad, and much disappointment will be the result.

As has been said repeatedly, this piece of legislation has now become an established measure in dealing with the problem of crop failure in western Canada. It is the basis upon which ultimately it may be possible to build some type of crop insurance scheme. No one suggests that it is crop insurance; but it is a move in that direction, and by widening, extending and modifying the act, it may be possible to base a proper crop insurance scheme on this legislation. A great many people have come to look upon it as something upon which they could depend in those years when, for some cause beyond their control, they have not been able to get adequate crops. Now 63 per cent of those people will be excluded by virtue of the fact that the price of wheat is being established at 90 cents, and the government having failed to bring down an amendement to make the proviso, those people will not be shut out.

I wish merely to make my protest. I do not believe there is any use in labouring the point, or in holding up the bill. If the minister and the government are determined not to bring in the amendment, then all we can do is to do what we did in committee, namely ask the government to take the matter into consideration, with a view to bringing down an amendment next year. That would seem to be the proper procedure, if the government is not prepared to take action now. Just as to-day the price is fixed at 70 cents, and every time the price of wheat rises above 70 cents, the bonus of the 8- to 12-bushel group is reduced 10 cents an acre, it would have been equally fair to raise the price to 90 cents and to have said that every time the price of wheat rises one cent above 90 cents the bonus should be reduced 10 cents an acre. It seems to me that would have been fair and equitable as between the different groups suffering crop failure. If the government is not prepared to take this step now, I hope it will at least take the matter into consideration with a view to doing so at a later date.

Mr. FAIR: Mr. Chairman, before the bill passes through committee I, too, wish to voice my disappointment with respect to the action taken in the committee on agriculture in ruling out the 8- to 12-bushel to the acre class. Some members in the committee felt that because the price of wheat was increased to 90 cents a bushel, there was no longer any need for those in the 8- to 12-bushel class receiving a bonus. I wish to point out once more, and to protest, that even though 90 cents a bushel, basis No. 1 northern Fort William, is being advanced, the farmers are not getting nearly the cost of growing their wheat, and I cannot see how the government—even though the committee on agriculture did decide against keeping in the 8- to 12-bushel class—is justified in ruling out that particular class.

I am not satisfied that the amendment should be left over until next year. In my opinion this is the year in which it should be passed, and the government should take action to put back into the legislation that clause which had been wiped out through the price being raised from 70 to 90 cents, basis No. 1 northern Fort William.

Mr. PERLEY: Mr. Chairman, I do not propose to labour the question. I agree with what the hon. member for Weyburn has said. The matter was thoroughly discussed in committee. The minister heard the discussion there, and he made it plain that, after consulting with council, it had been decided not to go further. I regret that the 8- to 12-bushel class could not have been included. I trust the minister may take into consideration the suggestion made by the hon. member for Weyburn, so that next year there may be an amendment including the 8- to 12-bushel class, and a further amendment which would make the measure one more in the nature of insurance than it is now.

The minister has stated definitely what he proposes to do. The matter was thoroughly discussed in committee, and I shall say no more.

Section agreed to.

Bill reported, read the third time and passed.

WHEAT

MEASURE TO PROVIDE ACREAGE REDUCTION AND CERTAIN PAYMENTS TO FARMERS

Hon. J. G. GARDINER (Minister of Agriculture) moved that the house go into committee on Bill No. 12, respecting wheat acreage reduction.

Motion agreed to and the house went into committee thereon. Mr. Vien in the chair.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

The CHAIRMAN: We are on Bill No. 12, clause 1, short title.

Mr. DOUGLAS (Weyburn): Mr. Chairman, this bill has been discussed in conjunction with Bills Nos. 11 and 14, and really one cannot be discussed apart from the others. What I have to say will take only a few minutes, and if it is not in order now I shall have to wait until the third reading.

The CHAIRMAN: I am governed by the rules of the house, which bind me as well as every other hon. member. We are on clause 1, short title, which reads:

This act may be cited as the Wheat Acreage Reduction Act, 1942.

Hon. members must obey the rules.

Mr. DOUGLAS (Weyburn): Perhaps I might be permitted to say on clause 1 what I have to say.

The CHAIRMAN: Under the standing orders of the house the general principle of a bill cannot be discussed in committee. It must be discussed on the second reading. Standing order 58 is clear, that we shall take the bill clause by clause and limit the discussion to the substance of the clause before the chair. I know that the practice has developed of being a little lenient and allowing some latitude in discussing the principle on the short title of a bill, but it is against the rules. On clause 1, nothing but the short title is involved. I do not believe that it is within the four corners of standing order 58 to discuss the principle of the bill on the short title.

Mr. HANSON (York-Sunbury): Mr. Chairman, ever since I have been here it has been the practice that when a bill has been returned to the house from a committee, especially with amendments made in committee, to allow the principle to be discussed on the short title. So far as this bill is concerned I do not see how we can discuss it at all when we have not seen the amendments. I have not even been favoured with a copy of the bill as amended.

The CHAIRMAN: I know that in a number of cases what the leader of the opposition has just said is true. The house has given unanimous consent to suspending its rules, but without a suspension of standing order 58 it is not permissible to discuss the principle in committee.

Mr. HANSON (York-Sunbury): Then, Mr. Chairman, I would ask for unanimous consent to discuss the principle of the bill on the short title.

Mr. GARDINER: I do not think there can be any objection to having a general discussion at the moment as to what was proposed in committee and what was accepted by the committee. The suggestion has been made by the hon. member for Weyburn that it is difficult to discuss this bill apart from the other two bills. I have some doubt as to whether it would be wise to carry latitude that far. I think we should confine ourselves to this bill, and when the other bill comes before us it can be discussed.

Mr. HANSON (York-Sunbury): I think the minister is right in his last observation. I do not think it would be in order to discuss the principle of a bill which is not before us, but I do think we should be able to discuss the principle of this bill on the short title with respect to (a) those portions of the bill which are being amended and (b) those portions attempted to be amended.

Mr. MARTIN: The leader of the opposition has just said that he did not receive a copy of the bill as amended. Of course, as leader of the opposition he is entitled to prior consideration. I have often thought that every hon. member should be given copies of bills as amended. It is difficult to discuss a bill without knowing what the amendments are. While I do not like to make this objection on a bill of the Minister of Agriculture, he is about as convenient a cushion to fall on as anybody else.

Mr. GARDINER: The question arose in the committee whether this bill should be reprinted, and I think the final suggestion was that the amendments were so limited that they might well be reported to the house. The first amendment, for example, just adds the word "flax" to the definition of "coarse grains". Under another amendment a new clause is submitted. By the way, the drafting in the committee was not acceptable to the joint law clerks, and they have submitted another drafting in words more acceptable to them but meaning what was intended. That is only one short section. Another amendment adds two words to one of the clauses. The amendments were not thought sufficient to justify the whole bill being reprinted.

Mr. HANSON (York-Sunbury): I agree if the changes are slight, but it might be well for the minister or the chairman of the committee to indicate the amendments and read the sections as amended so that they will be understood.

The CHAIRMAN: It has been the practice to reprint and distribute a bill when a number of amendments have been made by a committee; but where the amendments are negligible or few in number, it has been the practice for the chairman of the committee to read the amendments to each section as it is reached, and I propose to do that.

Mr. HANSON (York-Sunbury): That is all right.

Mr. GARDINER: To help the members of the committee, Mr. Chairman, I might just read the amendments so that the bill as amended may be discussed intelligently. Paragraph (c) of section 2 is amended to add the word "flax" after the word "corn" so that the definition will read:

(c) "coarse grains" means barley, oats, corn, flax and peas.

Mr. HOMUTH: Why put flax before peas?

Mr. GARDINER: To save cutting out the "and" and putting it after "peas".

There is also an amendment to section 4. The committee had proposed to add a new subclause 3, but the amendment as submitted to the committee was withdrawn and the following submitted instead:

4. (3) Notwithstanding any law relating to bankruptcy or insolvency moneys payable under this act shall be deemed not to be property or assets of the bankrupt or insolvent person for the purposes of the said laws and shall not be subject to garnishment or attachment, nor be assignable either at law or in equity.

The intention there is that no one can have any legal claim on these moneys so long as they are in the hands of the government, that any legal claim for debt which there may be will have to be established after the individual is paid.

Mr. MacNICOL: It would be too late then, would it not?

Mr. GARDINER: Then on page 4 of the bill section 11 (a) has been amended to read:

(a) in respect of any information or return required under this act or regulations thereunder, wilfully submits false information or knowingly makes a false return thereto.

Then, subsection 2 has been amended to read:

No payment shall be made to any farmer who wilfully submits any false information to the minister or knowingly makes any false return.

Mr. HANSON (York-Sunbury): That would be uniform.

Mr. GARDINER: Those are the only amendments.

Mr. DOUGLAS (Weyburn): Apropos of your ruling a few moments ago, Mr. Chairman, may I ask, just for my own information, can section 1 be discussed?

The CHAIRMAN: Unless the hon. gentleman has the unanimous consent of the committee to suspend standing order 58, I cannot allow it. But if the hon. gentleman seeks and obtains unanimous consent, then the standing order is suspended.

Mr. MACKENZIE (Vancouver Centre): I think it would expedite the progress of the bill if my hon. friend would just carry on and discuss what he wants to discuss.

Mr. GARDINER: Agreed.

The CHAIRMAN: I take it that the hon. gentleman has the unanimous consent of the committee?

Some hon. MEMBERS: Agreed.

Mr. DOUGLAS (Weyburn): It would seem to me that there is an aspect of this legislation which has not recommended itself to many hon. members. During the debate which went on regarding wheat, there were objections from some parts of the chamber with regard to the extra payment that was going out to western agriculture by way of a 20-cent increase in the price of wheat. I should like to draw attention as we go into this bill to the fact that the total expenditure from the treasury as a result of that increase, assuming that the government takes delivery of all of the 280 million bushels of wheat, amounts to about $56 million. The Minister of Mines and Resources (Mr. Crerar) said that it is unlikely that that amount of wheat will be delivered, and I believe he is right. But even assuming that 280 million bushels of wheat are delivered, that means a total increased outlay by the treasury of $56 million. There have been some complaints about that from some quarters of the house and some parts of Canada.

I think, when this bill is before the committee, and on the consideration of Bill No. 14, it should be drawn to the attention of the committee that there has been a considerable curtailment, by virtue of these two bills, of the amount which is being paid this year to western agriculture. In other words, while the government's payment on a bushelage basis to western farmers means an increase of $56 million, the curtailment on an acreage basis is considerable.

I would draw the attention of the committee to the fact that the prairie farm income bonus, which will be discontinued, was $20 million; that the Prairie Farm Assistance Act, taking out the category 8 to 12 bushels,

will mean that $7 million less is being paid out under that act this year than last year; that, under the bill which is now before the committee, the wheat acreage reduction measure, a new basis is being agreed upon for payment, that last year an established acreage was worked out upon which we paid on an average of the 1939 and 1940 wheat acreage, and in the agriculture committee of the house it was found that on the new basis, which is to be the 1940 basis, payment will be made this year on one million acres less than last year, which means another $2 million less. Also it will be found in this bill that the amount of money to be paid for summer-fallow is to be reduced from $4 an acre to $2 an acre. According to figures supplied by the minister, the number of acres upon which summer-fallow was paid last year was 5,493,200, or roughly five and a half million; and at $2 an acre that means $11 million.

I draw these facts to the attention of any who consider that there is reason for complaint concerning the legislation on the ground of excessive generosity to western Canada: $20 million are taken out by virtue of the withdrawal of the prairie farm income bonus, $7 million through taking out the 8- to 12-bushel class, $2 million by virtue of changing the basis to 1940, $11 million by virtue of reducing the allowance for summer-fallow from $4 to $2 per acre, making a total of $40 million.

When complaints are made about paying $56 million more in terms of wheat prices, I think those who have raised those objections should bear in mind that the legislation with which we are now dealing, and the legislation which was dealt with before supper, on the prairie farm income bonus, mean a reduction in the acreage payments to western Canada of around $40 million.

Mr. HOMUTH: But anyone would trade $40 million for $56 million, any day.

Mr. DOUGLAS (Weyburn): Correct. But I do wish to ask hon. gentlemen who have been objecting, saying, "We are giving $56 million to western Canada", to realize that we are giving them $56 million with one hand and taking away $40 million with the other, which is a very different thing from suggesting that we are giving them an outright present of $56 million.

Mr. McNEVIN: Who offered the objections?

Mr. MacNICOL: I have not heard anybody object.

Mr. McNEVIN: I do not recall any objection to the increase.

An hon. MEMBER: There was no objection.

Mr. DOUGLAS (Weyburn): There were a number who objected.

An hon. MEMBER: Name them.

Mr. DOUGLAS (Weyburn): A number of hon. gentlemen spoke rather scathingly to the effect that western Canada was always asking for more and more. As a matter of fact, when I was on my feet stating that the farmers would not be satisfied with 90 cents a bushel, someone on the Liberal benches said that they would not be satisfied with anything.

Mr. HOMUTH: Yes, but that came from your happy friend across the street.

Section agreed to.

On section 2—Definitions.

Mr. GARDINER: The amendment is put in section 2, as I understand, when it comes back from committee.

The CHAIRMAN: We read the section as amended. I will draw the attention of the committee to the fact that paragraph (c) is amended by adding after the word "oats" the word "flax".

Section agreed to.

On section 3—Basic wheat acreage.

Mr. QUELCH: I do not like this section as it stands. I might point out that the agriculture committee did not like it either, and they moved that the section should be struck out and another substituted. Another section was drafted, and the Minister of Agriculture himself spoke in favour of the other section which was drawn up. He also pointed out that, since the new section would mean an increase in expenditures, it would have to be referred to the cabinet. This was done, and they refused to accept it.

There are many reasons why this section as it stands before us now is undesirable. In the first place, the government asked the farmers of western Canada to cooperate in 1940 by reducing their acreage. A very large number of farmers did cooperate and now, as a result of that cooperation, they are being penalized under this section. Section 3 reads:

> For the purposes of this act, the basic acreage in wheat on any farm in the area shall be the wheat acreage in 1940. . . .

Last year under the regulations we stated that the basic acreage would be dependent upon the 1939 and 1940 acreage; in other words, we said that if the average of 1939-40 wheat acreage was less than 60 per cent of the total cultivated acreage we would take the higher of the two. If we take the bill as it stands, the farmer's basic acreage is

dependent upon the 1940 acreage alone and there will be a considerably smaller amount paid to the farmers.

The minister said that the definition we had last year had caused a great deal of delay in making the payment; that looking back over the 1939 records had occasioned a good deal of trouble, for the reason that many of the farmers had not kept records, and he blamed that largely for the delay. The point is, however, that we have now done all that work and that basic acreage has been established so that there can not be any delay this year from that cause. If we are now going to take the new basic acreage, it means that all the work we did last year will have been done for nothing. The suggestion the committee made was that, for the farmers who applied under the act last year, the basic acreage as established last year would be used, and for the farmers who did not make application last year, the new basic acreage would be used.

I would say to the government that as soon as it becomes known that we are taking the 1940 acreage as the basic acreage, there will be discontent throughout the west. The Minister of Agriculture (Mr. Gardiner) will be flooded with protests. Imagine what is being done! Many farmers in 1940 had only about twenty or thirty acres of wheat out of a total of 400 acres of cultivated land, and now the government is saying that that twenty or thirty acres shall constitute the basic acreage, although the total cultivated acreage may be 400 acres. Can any minister justify that? There is absolutely no justice in this section. Last year we discussed this whole question fully in the house for days and finally came to the conclusion that the only fair way to deal with the matter was to take the average of 1939 and 1940 and, where that average was less than 60 per cent, to take the higher. Even now at this late hour the government should reconsider their action. The Minister of Agriculture himself had endorsed the alternative section.

While we are on this section I might be allowed to say, so far as this measure is concerned, that we would have been better off if we had given the farmers $1 a bushel and increased the price, as we are doing, for oats, barley and flax. The farmers, under the present proposal, will not be satisfied. A dollar a bushel plus a sound crop insurance plan would have given satisfaction, and we could have eliminated this measure; but seeing that we are keeping it in operation I submit that we should do everything in our power to put it on an equitable basis. The minister himself knows that section 3 is not equitable, and it will cause a great deal of discontent in the west. I do not think a single member of the house heard any criticism from any farmer in regard to section 3 as it read last year. We spent a great deal of time in working it out and it was fair, but in order to save a few dollars the cabinet is now prepared to sacrifice the old section and put in this one, which is decidedly unjust.

Mr. GARDINER: In order to keep the record straight I would call attention to the fact that a vote was taken on this amendment in the committee, and, if I remember rightly, I voted for the legislation as it stands, which of course I would be expected to do.

Mr. QUELCH: Afterwards.

Mr. GARDINER: No; when the vote was taken in the committee on this.

Mr. QUELCH: The minister supported the amendment in the first place?

Mr. GARDINER: With regard to this particular section I voted for the clause as it now stands in the bill and as it was in the bill when brought before the committee. As a matter of fact, I presented the bill to the house and recommended that the house accept it, and I also did the same so far as the committee was concerned.

When the matter was under discussion in the committee two proposals were made. One was that we accept the acreage of 1940 as the basis from which the reduction would be made this year—that is, the actual acreage of 1940. That is the provision which is made in the bill. The other was that we accept the assumed acreage for 1940, which was provided by taking the average between 1939 and 1940. The discussion began with that, and I pointed out to the committee that the reason for putting this proposal in the bill was the great amount of criticism which came from all over western Canada during 1941 because of the delays in making payment, which delays were almost without exception due to the fact that we had the average of 1939 and 1940. That is to say, if we had simply taken the 1940 acreage and had it sworn to, that would have been a sworn statement of one year's crop and we would have had to consider only that one year. As it was, however, we asked the farmer to go back to 1939 and give his acreage for that year; and when he did so, in many cases, he made mistakes of 5 or 10 acres on the total crop acreage and, in some instances, 20 or 30 acres. Immediately the mistake was re-

ported to the treasury, the treasury officials refused to pay the amount claimed until the reason for the mistake was established or until the figures were corrected.

Most of the criticism that came in during the summer was caused by the attempt to average. I did make the suggestion, as an alternative to the proposal made by certain members of the committee, that we might get over some of the difficulty which I had in mind if we were to make the 1940 average apply to the new applicants and leave the provisions, with regard to those who had been paid last year, as they were in the regulations of last year. I suggested that I would take that to council and have it discussed, and if council were satisfied to provide the additional expenditure made necessary by that provision, then the matter could be brought back to the committee and agreed to. I took it to council, but council did not agree to have the additional expenditure made. The section as it was in the bill when referred to the committee, has been brought back to the house.

Mr. ROSS (Souris): In my opinion the recommendation of the committee should have been considered. As was pointed out in the committee, considerable work was done last year, and that work is now going to be lost in the coming year. More than that, those farmers who did not cooperate last year will be brought in under a different basis from that on which the others will stand. The committee were fairly unanimous that the recommendation should have been carried out in an amendment to section 3. Surely those people who did not cooperate last year should not be brought in now on a basis different from that on which the vast number stand, who really played ball last year. I suggest that the administration will have a good deal of extra work to do, and administration of the measure will cost more money. I regret that the minister has not seen fit to get the cabinet to agree to amend the section.

Mr. DOUGLAS (Weyburn): The members of the committee will recall that last year just before the Easter recess the minister brought down his regulations regarding wheat acreage reduction. Most of the western members took copies of the regulations west with them during the Easter recess to endeavour to explain them to their constituents. I think the experience of the minister was probably the same as that of other hon. members, that in almost every public meeting farmers came and pointed out with some indignation that they had acquiesced in the request to reduce wheat acreage, and they said "Now you are going to penalize those of us who acquiesced, and pay the man who did not follow the minister's suggestion." When we assembled after Easter most of the western members made representations to the minister asking if it were not possible to remove what looked like discrimination. The minister agreed and a new basis was worked out. I agree with the minister that probably it did mean a good deal of extra work and did produce administrative difficulties, and I would be the last to ask the minister to go through that again, trying to harmonize the wheat acreage of the two years. But that has now been established for all the farmers who came into this scheme.

This arrangement is going to be very confusing for these people. A certain wheat acreage has been established; this year when they apply for the bonus they are going to find that they are being paid on a totally different basis. They will be coming to members of parliament; they will be going to the offices in Regina or to see the supervisors, and we shall have the same thing we had last fall all over again. I am sorry for the minister's own sake and the sake of those who have to administer the legislation if it is not possible merely to send out notification to each of the farmers who came under this legislation last year saying, "Your basic wheat acreage is so much; that is established. The basis on which you were paid last year is the basis on which you will be paid this year. On any reduction below that figure you will be paid $2 an acre." But under this section the basis is changed, we shall have to go through it again for readjustment, which will make the legislation more difficult to administer.

Section agreed to.

On section 4—Payments on acreage reduction.

Mr. MACKENZIE (Vancouver Centre): There is an amendment to the amendment you have before you, Mr. Chairman. I move that the amendment before you be withdrawn and the following substituted therefor:

(3) Notwithstanding any law relating to bankruptcy or insolvency the moneys payable under this act shall be deemed not to be property or assets of the banker or insolvent person for the purposes of the said laws and shall not be subject to garnishment or attachment, nor be assignable either at law or in equity.

That is the phraseology of the Department of Justice.

The CHAIRMAN: In view of the fact that the bill as amended has not been reprinted, I would point out that the bill came back from the committee with a subsection 3 added to section 4 which subsection was as follows:

Every award payable under this act shall be exempt from the operation of any law relating to bankruptcy or insolvency or garnishment or attachment and shall not be assignable either at law or in equity.

The amendment moved by the minister is in substitution for this amendment offered by the committee which is to be withdrawn.

Mr. HANSON (York-Sunbury): As to the legal aspect, is this on the theory that once an award is made, it is vested in the individual applying and therefore could be attached or garnished? I would have supposed that as long as it remained in the hands of the crown, it might be assignable, but unless it actually vests in the claimant by reason of the award it would not pass to his trustee in bankruptcy. The idea I assume, is to keep this money from coming into the hands of the man's creditors?

Mr. GARDINER: In practice the intention of this legislation has been carried out during the past year; that is, we have not permitted anyone to claim these moneys from the government; we have not permitted the government to become a collector of debts for other people.

Mr. HANSON: (York-Sunbury): That is quite proper.

Mr. GARDINER: And we have paid the money direct. But that has not prevented our having many applications from persons asking the government to pay the money to them rather than to a person who is a debtor to them. Therefore the committee thought it best to have the position taken by the government stated in the legislation so that it would be known by all parties that no claim can be made, and consequently claims will not be made. There is a similar provision in the Prairie Farm Assistance Act, and it was with the intention of copying that provision that this amendment was moved in the committee and accepted. I have a statement here from the joint law clerks giving the reason for changing the wording.

Mr. HANSON (York-Sunbury): I quite understand that.

Mr. GARDINER: It was thought that it did not have the effect intended. But this is largely for the purpose of making clear to the public that there is no use in anyone making application.

Mr. HANSON (York-Sunbury): But this goes far beyond that.

Mr. HOMUTH: Supposing a farmer who has a large credit with the government goes into bankruptcy—

Mr. CRUICKSHANK: What farmer has any large credit with the government?

Mr. HOMUTH: Some have a good deal. What happens to that money owing to that farmer from the government?

Mr. GARDINER: What the government has been doing in connection with all this legislation is that where the particular farmer owes money to the government, the government keeps the money.

Mr. HANSON (York-Sunbury): But what the hon. member is asking is, what would the government do with an award that actually had not been paid, to a man who goes into bankruptcy?

Mr. HOMUTH: Who gets the money if the farmer goes into bankruptcy?

Mr. GARDINER: He cannot, as I understand it. The law forbids it.

Mr. HOMUTH: Then why have the clause?

Mr. HANSON (York-Sunbury): If a farmer in Saskatchewan can no longer go into bankruptcy—I am not sure whether or not that is true; the bankruptcy act provisions may have been taken away from him, but then there must be some provincial legislation which has been quiescent, which comes into operation—he must be able to make an assignment for the benefit of his creditors under the provincial laws. All provinces have such provisions, put into the background, it is true, as long as bankruptcy occupies the field. But when that is out of the way, then there must be in Saskatchewan some law making possible an assignment whereby a man's assets may be equitably distributed among his creditors. In the case of bankruptcy or assignment, one under dominion legislation, the other under provincial legislation, that money cannot go to the legal representative. What becomes of it? Does the government retain it, or does it go to the insolvent or bankrupt as the case may be?

Mr. GARDINER: The intention is that this money is paid to the farmer, no matter what his obligations may be to anyone else.

Mr. HOMUTH: Then the minister confirms what was my opinion. We are incorporating in a government bill a drastic change in connection with the matter of bankruptcy. No other business in the country is treated in that way. When a man goes into bankruptcy all of his assets are totalled up and divided among his creditors. Apparently this man cannot go into bankruptcy; but if he cannot pay his creditors and the government owes him money, the minister has just said that

money goes to the man and not to his creditors. Surely that is a principle which should not be put into a bill here. There is something radically wrong with the whole system if we are going to incorporate in bills like this radical changes in the matter of debtor and creditor, and that is what we are doing in this bill. I protest against it, because no other section of the country is being treated in that way. No other bankrupt and no other creditor are treated as we are now arranging to treat these semi-bankrupts and these creditors under this bill, and I am against it.

Mr. DOUGLAS (Weyburn): The hon. member says that this is a principle which we should not incorporate in this legislation. I submit that the opposite principle which he is suggesting is one which we certainly ought not to introduce in any legislation. Surely the hon. member would not suggest that the legislation should be so framed that the government would become a debt collecting agency for any group of people in the Dominion of Canada.

Mr. HOMUTH: Oh, no; but if a man owes money to his creditors, the money ought to be paid to him so that his creditors would have a chance to get at it.

Mr. DOUGLAS (Weyburn): This is not a new principle with reference to debtor and creditor.

Mr. HOMUTH: Well, anyway, it is a vicious one.

Mr. DOUGLAS (Weyburn): Just let me finish; we shall see how vicious it is. Exactly the same provision is contained in the Prairie Farm Assistance Act. As I understand it, the point in this legislation is that a man, having complied with certain conditions laid down by the government, is entitled to receive certain money. All the government is saying in this legislation is that the money shall be paid to that man; that the collection by his creditors of any money which may be owing them is a matter for personal action by them, and that the Department of Agriculture will not take a hand or any responsibility in deciding whether or not any of this money can be garnisheed or attached. That is exactly what it means.

Mr. HOMUTH: Oh, no. I just want to ask the hon. member this. If it means what he says, that is a different picture, but that is entirely different from what the minister told the committee just a few minutes ago. If the meaning is as the hon. gentleman has said, then I think it should be made clear in the bill; but according to the minister's statement the money cannot be attached, it does not go to the creditors, and is not liable to civil action.

Mr. DOUGLAS (Weyburn): I think what the minister said and what I have said amount to exactly the same thing.

Mr. HOMUTH: No.

Mr. DOUGLAS (Weyburn): The money which is accruing to the individual who has complied with the regulations cannot be attached and cannot be garnisheed. When the money has been paid to the individual, however, then it becomes a matter of arrangement between him and his creditors, with which the government has nothing to do.

Mr. HOMUTH: If you catch him in time.

Mr. DOUGLAS (Weyburn): That depends on when you get him. It is not a new principle. I think the amendment which has been brought in by the minister is most commendable, and should be adopted.

Mr. HANSON (York-Sunbury): On the point of garnishee, you could never garnish money in the hands of the crown. A garnishee order never runs against the crown but only against individuals. Therefore it is unnecessary to make any provision in this measure. I understand the Farmers' Creditors Arrangement Act is still in effect in Saskatchewan; the minister will know if that is correct.

Mr. GARDINER: That is correct.

Mr. HANSON (York-Sunbury): If the Farmers' Creditors Arrangement Act is in effect, then why, on principle, in a bona fide arrangement under that act, should not this money be made available, not to be attached in the hands of the crown, but available when the true position is ascertained? It seems to me that it is not only protection for the crown and the department that is being sought, for I should think that could be done by more apt words. I should think it is going to be pretty difficult for creditors to get any part of this money, and of course I think that is questionable legislation. I am just going to leave it at that.

Mr. DIEFENBAKER: By what manner or method are the cheques under this measure distributed? I intend to say a few words after I have received an answer to this question. Are they sent out from the central authority, or on occasion are they distributed by hand, by individuals in the department?

Mr. GARDINER: In practically all cases they are sent through the mail from the central office. Some cheques may have been handed to persons who have called for them

and some may have been delivered to individuals in localities to which the officers were going. But the general practice is that the Department of Agriculture checks the applications that are received and passes those applications to the treasury, endorsed by the Department of Agriculture. Then, where there is no question about it, the treasury department makes the payment. If there is any question, they may refer the matter back to the inspection department to have further checks made, or they may make further checks themselves; but the payments are made by cheque by the treasury department.

Mr. DIEFENBAKER: Have any complaints been received by the Department of Agriculture or the Department of Finance that in certain instances in western Canada departmental officials, in distributing these cheques, have gone to the persons entitled to the cheques, secured their endorsements and applied part of the money covered by the cheques to the payment of private debts?

Mr. GARDINER: There has been one complaint to that effect, with regard to one official, and that complaint is under investigation at the moment. I understand that the complaint is not in accordance with the facts, but an investigation is being carried out to ascertain the situation. At the moment I am not in a position to state more than that, and would not under all the circumstances desire to mention any names.

Mr. DIEFENBAKER: I can quite well understand that no names should be mentioned at this stage, but how many complaints were lodged against this individual? In how many instances was he alleged to have used his position as a civil servant to secure the payment of private debts, by causing individuals, recipients of these cheques, to endorse them over to him for the purpose of collecting money on account of the debts?

Mr. GARDINER: I think the complaint came from one lawyer, based on three or four affidavits.

Mr. HANSON (York-Sunbury): Then that became a practice on the part of one individual?

Mr. GARDINER: That is suggested, but as yet we have not all the facts, and I should not like to even say it was done in the way it has been claimed.

Mr. CASTLEDEN: Does the treasury board in Ottawa issue these cheques?

Mr. GARDINER: No; there is a branch representative of the comptroller of the treasury at Regina, who issues the cheques.

Mr. CASTLEDEN: Just the one man?

Mr. GARDINER: Oh, no; there is a considerable staff there.

Mr. ROSS (Souris): I wonder whether the minister would explain further why certain officials should be given these cheques to deliver to people personally. To me this seems a very improper procedure for any government department to allow.

Mr. GARDINER: If the facts are as they were stated by the lawyer who wrote in, then it would be an improper practice, and we would, of course, require to discipline the official. We are checking up on the case, as a matter of fact; and if we find the facts are as they have been stated to be, then we shall have to take action which will bear proper relation to any wrong that may have been committed. But until we are certain of that, I should not like to discuss the matter further than we have.

Mr. HANSON (York-Sunbury): Has the man been suspended in the meantime?

Mr. GARDINER: No; sufficient grounds have not, up to the moment, been established upon which to order suspension.

Mr. DIEFENBAKER: How did the cheques get into the hands of this individual, when the ordinary system is that they are sent out directly by the treasury department to the recipient? How did this individual get hold of the cheques and place himself in a position where, by intimidation, he could influence these people to endorse the cheques to him?

Mr. GARDINER: I think there is too much being inferred in the remarks being made. I do not know that there was any intimidation, or that the cheques were got in any way other than what might be considered a proper way. That is, if an individual wrote to me, and I was going home to that particular place, he might ask me to bring the cheque along with me. In other words, he would ask me to be the carrier of his mail, so to speak, and I might not object to doing it. If those are the circumstances, then I do not think anyone would consider there had been much of an offence committed. We are going into that part of it now, just to find out what the basis of the complaint is.

Mr. PERLEY: Why did the treasury branch hand the cheques out in that way?

Mr. GARDINER: In this particular case in hand, the persons concerned were all at the man's own home.

Mr. HANSON (York-Sunbury): He took the cheques home, and then made a call.

Mr. DIEFENBAKER: That answer is scarcely satisfactory. It still does not answer my question as to how it came about that this cheque got into this individual's hands, when he is an official in the department. How did he get these cheques? It is all very well to suggest that he may have carried the mail. Does the minister say there is even a suggestion that he ever carried the mail?

Mr. GARDINER: This particular man's mail; he may have been asked to take it; I do not know.

Mr. DIEFENBAKER: How would this man, carrying the mail, get possession of cheques sent out by the treasury department—or which should be sent out by the treasury department?

Mr. GARDINER: It is a very simple matter to write a letter to the treasury, when the two offices are operating in the same building. It is a very simple matter for that to happen in a case of that kind. I think, however, all of the facts will be made known in due course.

Mr. DIEFENBAKER: How many instances were there?

Mr. GARDINER: I am not in a position to say, because it has not yet been investigated fully.

Mr. DIEFENBAKER: Whether it has been investigated or not, how many complaints have been made?

Mr. GARDINER: Just the one, as I have already answered. There is just the one, to my knowledge; that is, one complaint made by one lawyer.

Mr. DIEFENBAKER: Covering how many individuals?

Mr. GARDINER: Covering, as far as I remember, three individuals. The complaint is based, I think, on three affidavits.

Mr. HANSON (York-Sunbury): And against one official?

Mr. GARDINER: Yes, one official.

Mr. DIEFENBAKER: Is that official still carrying on, while the investigation is proceeding?

Mr. GARDINER: He is still carrying on, until he has an opportunity to make an explanation.

Mr. DIEFENBAKER: And still carrying the cheques?

Mr. ROWE: Do we understand the minister to say, with respect to the payment of this money, that no creditor can collect the money from a farmer? Does this mean that it is set aside, and that it cannot be collected by any creditor?

Mr. GARDINER: It cannot be attached while it is in the possession of the government. But after the cheque is issued, anyone could collect, of course, if he can find a way of doing so.

Mr. HANSON (York-Sunbury): And if it has not been spent.

Mr. ROWE: So long as he summer-fallows in excess of what he summer-fallowed last year, can he summer-fallow his whole farm?

Mr. GARDINER: Yes, he could summer-fallow his whole farm.

Mr. ROWE: And if he were insolvent, it would pay him to keep on summer-fallowing, would it not?

Mr. GARDINER: No, not very well. It would not pay him to keep on summer-fallowing at $2 an acre if he can grow twenty bushels to the acre, to sell at 90 cents.

Mr. NICHOLSON: With respect to section 5, I would point out that a year ago the minister's department advertised widely the regulations brought out. An important change has been made in connection with the basic period. What arrangements have been made this year to publicize the changes which have been introduced? Last year a number of people were unable to take advantage of the regulations because of not filing their applications in time. I can anticipate that because of confusion over changes there might be some difficulty this year. What plans have been made?

Mr. GARDINER: The question is as to what arrangements have been made to make the farmer acquainted with the changes in the legislation this year compared with that of last year. My answer is that advertisements are in the west to be placed in the hands of the local press in western Canada, and those advertisements are to appear immediately the bill passes this house. The advertisements give the farmers full information as to this year's policy. Then, announcements will be made over the radio, and addresses will be given to audiences throughout western Canada by officials of the provincial and federal departments. The information with regard to the whole matter will be in the hands of every municipal secretary in the three western provinces, as it was last year. I know of no reason why farmers should not be made acquainted with any changes made.

Mr. PERLEY: The minister will recall that last year many orders in council were passed after July. I have at least three of them in mind. The definition of "summer-fallow" was changed on November 27. While I am prepared to accept and support the bill, I think the minister should make it clear that a number of orders in council will not be passed in mid-summer changing any of the sections of the bill. He should make it clear to the farmers that this is final, and that there will no changes such as the one with respect to the definition of "summer-fallow", to which I have referred. Last year it was most confusing to have orders in council come out a month or so after the summer-fallowing had been completed.

Mr. GARDINER: I am afraid if changes had not been made in November, there would have been a great many complaints from farmers, and particularly from one or two hon. members I see in the house. An amendment was made to give just treatment to a certain group of farmers, most of whom, it is true, lived in the area along the boundary between Saskatchewan and Alberta. The method by which they do their summer-fallowing is somewhat different from the method followed in that section of the country in which the hon. member for Qu'Appelle and I live. The methods followed in our section were those fully described in the first regulations which went out, but they were not the methods followed in the eastern part of Alberta, particularly in the central section, and in the western section of Saskatchewan.

The amendment to the regulations which went out in November made it possible for those people to collect by summer-fallowing in the way in which it is customary to summer-fallow in that area. I should imagine, if we make any mistakes in the regulations which go out this spring, which will be detrimental to the farmers in certain areas in the west and which do not carry out the spirit of the legislation, we shall be expected to amend the regulations, and make them conform to all the facts.

Mr. ROWE: It would seem that the farmer is paid $2 for those areas sown to grass. What happens if the grass does not grow? Does he still get the $2 because it was sown to grass?

Mr. GARDINER: If he takes it out of wheat this year and seeds it to grass—

Mr. ROWE: And the grass does not grow.

Mr. GARDINER: Well, we need not deal with that alone for the time being. Anything else may not grow, either.

Mr. ROWE: But you pay him, anyway?

Mr. GARDINER: If he seeds it to coarse grain, grass or rye, he receives $2 an acre.

Mr. HANSON (York-Sunbury): On the theory that it is wheat reduction?

Mr. GARDINER: Yes. Even if he summer-fallows it and does not put in anything, he still gets the $2 because he is taking it out of wheat. In addition if he does sow, and grows a crop the succeeding year, he gets an additional $2 in that year.

Mr. ROWE: He gets $2 for not sowing wheat and $2 for sowing grass.

Mr. HAZEN: I listened with a good deal of interest to the criticism made by the hon. member for Waterloo South (Mr. Homuth) in connection with these cheques. I do not know enough about the subject to express a definite opinion, but I would ask the minister this question: A tenant farmer farming land he does not own, and possessing no assets, engages a man to work for him. That man works for the farmer for some time and is not paid any wages. A cheque is coming to the tenant farmer. Has that workman any redress? Is there any way in which he can get his money? I ask this question because on one occasion I worked very hard for a threshing outfit in the west and never got my money.

Mr. GARDINER: That dispute would be settled now under the landlords and tenants act, or masters and servants act, which is provincial legislation, and not under any legislation passed here.

Section agreed to.

Sections 5 to 9 inclusive agreed to.

On section 10—Regulations.

Mr. HANSON (York-Sunbury): Is it the understanding of the minister that the regulations contemplated by section 10 are limited to the question of enforcement and administration of the measure and are in no sense to be made an extension of the principle of the measure as was the case under the summer-fallow provisions of last year? In other words these regulations are strictly limited to the enforcement and administration of the legislation and cannot go beyond that. Is that his understanding?

Mr. GARDINER: This bill as now drafted is practically 100 per cent the regulations of last year.

Mr. HANSON (York-Sunbury): I understand that.

Mr. GARDINER: Last year the whole policy was put into effect by regulations. This year the only power we have with regard to regulations is the power given in this particular section, which provides:

The minister may, with the approval of the governor in council, make such regulations as may be deemed necessary for the efficient enforcement and administration of this act.

We shall not be able to change the principle of the bill by any regulations.

Mr. HANSON (York-Sunbury): That is what I was calling attention to. It is a very limited power of regulation.

Mr. LACOMBE: Mr. Chairman, I am pleased indeed to congratulate the government upon its announcement this afternoon exempting the farmers from military training and I should like, through the Minister of Agriculture, to thank the government for its action on this very important national question.

Section agreed to.

On section 11—Offences and penalties.

The CHAIRMAN: I draw the attention of the committee to the amendments as read by the minister. In line 24 "wilfully" is inserted before "submits" and in line 25 "knowingly" is inserted before "makes". In line 28 "wilfully" is added after "who" and in line 29 "knowingly" is inserted before "makes."

Mr. HANSON (York-Sunbury): Has the minister taken the opinion of his legal advisers on the effect of the insertion of the words "wilfully" and "knowingly" in these two paragraphs? I suggest to the minister that if he insists on the inclusion of these two words, he will probably never be able to get a conviction.

Mr. ILSLEY: Mr. Chairman, I should like the hon. gentleman to elaborate that a little. It would be a very serious consequence, if so.

Mr. HANSON (York-Sunbury): It is no reflection on anybody. I am not going to go into an elaborate discussion here of the theory of intent, but I know how difficult it is to prove it apart from the mere submission of a document. I am not going to object at all. I think it is a protection to the treasury. I simply point out that in the administration of justice, if you insert these words, it is going to be just that more difficult to get a conviction.

Mr. ILSLEY: I certainly did not intend to say anything on this bill, but the treasury officials who institute these prosecutions consider it of the utmost importance that they be able to get convictions in cases of true fraud, of which there have been some. I wish to make it perfectly clear that my understanding of the amendments to this section is that they do not change the section one bit.

Mr. HANSON (York-Sunbury): It makes it more difficult to prove the offence, that is all.

Mr. ILSLEY: I would not have agreed to this amendment if I had thought it would enable persons to get away with fraudulent claims. I do not believe it does. I do not believe that a conviction should be secured for submitting false information unless it was knowingly submitted, and I would be surprised if any conviction was ever obtained in cases where an innocent mistake was made in giving information. I certainly hope that we have not ruined this section by putting in these words, because there will be the odd case of fraudulent claim, and it is of extreme importance, of importance I would think to everybody interested in the measure, that the fraudulent claimant be punished. The honest claimants, who are in the overwhelming majority, would themselves want the fraudulent claimant punished for the reputation of the community and of the legislation. I would not like the legal advice of the leader of the opposition to go out to a certain class of individuals, to the effect that they can now get away with anything because the words "knowingly" and "wilfully" are in the legislation.

Mr. HANSON (York-Sunbury): The minister is imputing something I never suggested. I simply tell him as a practising lawyer that the inclusion of "wilfully" and "knowingly" in this clause is going to make it very difficult to get a conviction, and I am in the judgment of every practising lawyer in this house when I make that statement.

Section agreed to.

Section 12 agreed to.

On section 13—Officers and employees.

Mr. PERLEY: Does the minister think it will require as large a staff to administer this bill as he had last year? Last year everything was done by regulation under order in council. The principle of those regulations and orders in council are embodied in this bill. A lot of inspection has been done in the last year or two, and does the minister not think that the staff can now be reduced and a considerable saving effected this coming season in administering this bill as now drafted?

Mr. GARDINER: There is no permanent staff in connection with the administration

either of this legislation or of the Prairie Farm Assistance Act, excepting the staff in the offices, and a very few superintendents of districts covering the three prairie provinces. The other persons employed, that is the inspectors, are employed only for the time they are required. Some of them have employment for a few weeks, and some for as much as three or four months. I doubt if many have employment for any longer. Of course, those staffs are pretty well reduced at present. It depends entirely upon what we are required to do next summer as to how many men will be called back to work during the summer months. We have followed the practice of calling back those who have given the best service during the years preceding, and we have not called up new men unless we require men for additional work. The number that are on at present is very small. I have the figures here, and could look them up, but it would take some little time to go through the papers I have in front of me.

As we come into the summer months, and applications are made by the 31st of May, we shall be required to make certain inspections, and those inspections will be made. After the 1st of July, when inspections are made for payment and we pass them on to the treasury, there will be cases referred back to us and we may have to engage an additional number of men. The number we shall require will depend largely upon the number of mistakes that are made by farmers when they make their applications. I do not suppose anyone in the house would ask us to have the payments made, where mistakes have occurred, until those errors have been corrected. The more mistakes that are made, the more corrections will be necessary, and the more men will have to be sent out to make inspections. Therefore at the moment I am not in a position to say to what extent we can limit the number of men to be employed, but we will certainly restrict them to the lowest possible number to get the work done. Our costs, in spite of what has been said, have not been high. It has been asserted from time to time that there have been hundreds of inspectors out, one inspector inspecting the other, and so on. But our costs are low, as costs of this type are considered from place to place throughout Canada.

Mr. CASTLEDEN: Were not a considerable number of mistakes made by the inspectors themselves in checking up on this work?

Mr. GARDINER: Of course, all persons are human, and one inspector may think that a piece of land is not properly summerfallowed while another man might say that it is. There may be a difference of opinion, and where there is, we usually have to send someone else to arbitrate as between those who differ. All these things cost money and take time.

Mr. DIEFENBAKER: How many employees were there last year, and what was the total amount disbursed in the administration of this measure?

Mr. GARDINER: I had that information before the committee the other day. I am not sure that I have it here; I will see.

Mr. DOUGLAS (Weyburn): The minister said just now that the cost of administration was fairly low.

Mr. GARDINER: About 4 per cent.

Mr. DOUGLAS (Weyburn): I should like to point out that the cost of administration for this last year up to February 27, according to sessional paper 153A, was $785,800.42, and the cost of administration under the Prairie Farm Assistance Act—because the inspectors, I understand, are used interchangeably—for last year, also up to February 27, 1942, was $387,422.07, making a total, roughly, of something over $1,000,000. The amount expended under the wheat acreage reduction plan to the same date was, roughly, $26,500,000, and the amount spent in the same period under the Prairie Farm Assistance Act was about $5,326,000. In other words, about $30,000,000 was paid out under these two bonuses, with an administration cost of a little over $1,000,000. I would hardly call that very low.

Mr. GARDINER: I have the summary of the staff as at February 28. I am sorry I have not before me full information for the entire year.

The staff for the three provinces consists of: one director; one assistant director; three superintendents—one for each province—one accountant; five supervisors in the office; nine inspectors working from the office; two clerks, grade IV; four clerks, grade III; thirty-two clerks and stenographers, grade II; twenty-eight clerks and stenographers, Grade IA; six clerks and stenographers, grade I; 532 clerks and stenographers, day basis, for the three provinces, taken on at different times; field staff: thirty-four supervisors, permanent employees, for the three provinces; seventy-four inspectors, making a total of one hundred and eight; or a grand total of 732 in the office and outside.

Mr. DOUGLAS (Weyburn): Is that the number who are engaged at present, or the number hired during the whole year?

Mr. GARDINER: That is the number at the date of this return, which was February 28. The number of inspectors would be lower then than during the summer months. There would be more inspectors in the field in the summer; I believe the total number was somewhere between two and three hundred, but I have not the exact figures.

Mr. NICHOLSON: On what basis are these inspectors and supervisors paid?

Mr. GARDINER: The supervisors are paid on a monthly basis. I think the highest amount is $150 a month, or $1,800 a year. I should not like to speak from memory with regard to the others. The stenographers, also the clerks, are paid the regular rates which are paid in the civil service. The director, the assistant director and the superintendents are paid on the same basis as persons doing similar work elsewhere in the civil service.

Mr. DIEFENBAKER: Would it not be possible to reduce this staff very considerably? According to the information furnished by the hon. member for Weyburn, here is an expenditure of about 3½ per cent from the administration of these two acts. There are seventy-four inspectors in the winter time looking after summer-fallow, or wheat acreage reduction.

Mr. GARDINER: Well, now, that is not a fair statement. My hon. friend knows that.

Mr. DIEFENBAKER: What is the purpose of having those inspectors in the winter time? Why have them all the year round?

Mr. HOMUTH: To keep the snow off the summer-fallow!

Mr. GARDINER: The hon. member for Lake Centre only needs to look at his own files, and so does every other member from western Canada, to get the answer to that. Not a day passes even now when I do not get a letter from some member of the house, and when a member misses a day I get letters from half a dozen secretaries of municipalities, or where they miss I get letters from many farmers.

Mr. DIEFENBAKER: Because of delays.

Mr. GARDINER: Yes, but the delays are brought about, in most instances, by mistakes made by individuals who are claiming money, and the treasury does not pay any of these accounts until the correct statements are made, or at least until the claims are proven to the treasury. That requires, of course, that any mistakes which are made be corrected. In the winter time we are checking many of these claims which have been made. We check with the operators of the elevators, the secretaries of municipalities and any other individual who may know anything at all about the business transactions of a man who is making a claim, and attempt during that period to establish his claim so that it can be paid.

Mr. ROSS (Souris): In this respect I understand that no matter how correct a claim which is filed may be, or how favourable the report made by the ordinary field inspector, any item of over $1,000 is not paid until a second inspection is made. If that is right, is the second inspection made by an official of the Department of Agriculture or by an official of the treasury branch.

Mr. GARDINER: I would not wish to answer that question by saying they are made one way or the other in all instances. In some instances a second or third inspection may be made by the treasury. I believe that in all instances the second inspection has been made by the Department of Agriculture.

Mr. ROSS (Souris): That is for payments over $1,000.

Mr. GARDINER: Yes.

Mr. NICHOLSON: The minister has not given me all the information I want. There have been many criticisms in my constituency about these inspectors doing too much travelling. Some are inspecting areas twenty, thirty or forty miles from where they live. I do not know whether it is well founded, but the complaint is made that they drive back and forth morning and night in order to build up mileage. The minister might give information as to the basis on which they are paid. I am thinking of the case of J. L. MacKay from Yorkton who was paid $690.33 as salary, $686.94 for travelling and $427.10 for subsistence. We have no hotels in that area where the rates are as high as they are at the Chateau Laurier or the Lord Elgin. One can live a long time in that country on $427. The travelling expenses appear to me to be too high. The minister might explain the basis on which the inspectors are paid for travelling and also the basis for subsistence. I do not think these allowances are in line with the price of wheat per bushel.

Mr. GARDINER: The payments are made on the same basis as is allowed in all departments of government. I believe, speaking from memory, the rate for driving a car is seven cents a mile, and then there is a certain allowance for daily keep of individuals.

Mr. NICHOLSON: Is that more than they actually pay in hotels?

Mr. GARDINER: I do not think so; it is not supposed to be. It will cover hotel bills —meals as well as lodging.

Mr. DOUGLAS (Weyburn): How much per day?

Mr. GARDINER: It would be their actual costs. There may be some cases where an allowance is given to some of the higher officials, but those who do the work will have to put in vouchers for their expenses. As a matter of fact, the figures just stated are not very far away from the expense accounts we get generally throughout the whole service.

Mr. NICHOLSON: This is a field in which great economy could be effected. After checking a similar return a year ago, I asked the minister's department for an itemized statement in connection with the expenses of four or five men working in my own area and I was refused that information. I think the minister should tell us whether these men are paid so much a day or actual expenses. I am interested to know how some of these men come to be paying the hotel bills they are paying in this part of the province where hotel rates are very reasonable.

Mr. GARDINER: I would suggest that the hon. member bring that matter up when my estimates are before the house and I shall have the facts before me. I do not have them here because I did not expect that these answers would be required. I had them in the committee the other day, and I tried to coax members to ask questions but they did not do so.

An hon. MEMBER: There was no *Hansard* there.

Mr. PERLEY: The minister says he coaxed members for questions the other day. I brought this very matter to his attention then. The minister will remember that I suggested that when he changed inspectors from one municipality to another, moving them year after year, it involved a lot of travelling and unnecessary expenses. Inspectors were changed in my district—Indian Head going to Wolseley and Wolseley going on. I know two of these men were deliberately driving forty miles and back getting mileage and living at home. In fact, I checked up on one fellow who was driving forty-six miles every night to Windthorst, and after I told the municipal secretary that I would take the matter up with the department in protest—I ventured the opinion that the Minister of Agriculture would not stand for it if he knew about it—he decided that he would pay a dollar for a room in the town and stay there nights instead of driving home. The minister could make a considerable saving in this regard. He has stated that the staff was 732 as at February 28. I think that is out of all reason. There is no organization or industry which, having an expenditure of $30,000,000 to make, would ever employ 732 men to do the work. I venture to say that if proper business methods were followed, this could be cut in half. The minister might give us the number of inspectors and the staff employed by the treasury branch in addition to these. They have a number of inspectors throughout the province inspecting different claims of $1,000 or more, and I presume they have quite a staff. What staff have they in addition to these?

Mr. GARDINER: The suggestion is made that 732 is a considerable staff. I would agree that if 732 persons were being employed throughout the whole year, they would probably constitute a considerable staff; but 532 of them are clerks and stenographers on a daily basis and are hired only for short periods. For example, last summer when people were urging that these payments be got out, the director went to the normal school. He could not get employees elsewhere in the numbers required, and he asked the principal of the normal school to recommend to him, from among those who were training as teachers, persons to work at night to get the payments out. This would mean that a very considerable proportion of the young people who were attending normal school at Regina at that time would be on the staff on particular days. This 532 is made up of people employed on a day-wage basis, many of them employed just a few days, some a few weeks and some a few months. I would think that none of those who were on a daily basis would be there for more than a very few months. Therefore that leaves 200 who might be looked upon as a somewhat permanent staff in the three provinces where they are checking up payments to 186,000 people; in other words, 186,000 applications have to be checked in that office.

Mr. PERLEY: They do not issue the cheques; the treasury department does that.

Mr. GARDINER: But that is the least part. The cheques, in fact, are made out by machine, but before the machine starts to work, all the information has to be gathered and checked by the staff. When the statements come in, any that appear on the face of them to have some mistake have to be sent out to inspectors and gone over again. Just a few weeks ago we were checking up on the unpaid applications and at that time there

were somewhere about 40,000 of them. Each one of those accounts had been checked the second time. In order to get the corrections, they had to be gone over again either by telephone or letter; further information had to be obtained before payment could be made. These officials are working on those applications.

I might point out that in answer to a question asked in the committee a few days ago—by the way it was on the other bill the one passed before recess this afternoon, not this one—I pointed out that $33,000,000 had been paid out in three years under the Prairie Farm Assistance Act, and the cost of administration of that particular act for the three years had been $1,500,000. I submit that is not a high cost for the administration of payments of that kind, where all the farmers in a large section of western Canada are being paid under the terms of that legislation.

The same staffs are dealing with the payments under this legislation, but there is a distribution of the costs, and the $1,500,000 figure that I gave to the committee the other day had to do with the administration of the Prairie Farm Assistance Act alone. Some figures quoted a few days ago from a return brought down in the house indicated the division of cost as between this branch and the other branch of the service. From the figures I have seen I would assume that costs in this part of the service are lower than under the Prairie Farm Assistance Act.

Mr. DOUGLAS (Weyburn): In discussing the administration of this bonus, much has been said by the minister at various times about mistakes made by the farmers, and naturally many are made. The minister himself has said that very few farmers keep books, and it is not easy to get the acreage. But a great many mistakes are also made by virtue of the fact that many of these appointees are not appointed because of their ability or experience in work of this kind. I do not say that unkindly, and I am not making a blanket charge about all the inspectors and supervisors. I think many of these men know their business, but I know that many do not. I know that some of them have had their reports sent back to them again and again because they were poorly written, because the men were not capable of gathering the information or of computing the basis upon which the bonus should be paid. If this bonus is going to be handled efficiently, I think it will have to be handled increasingly through the municipal officials, through the hail insurance officials, and through a trained staff rather than through some people who are—to use the best phrase—purely political appointees.

If I remember correctly, last year when the estimates were up for the payment of this bonus, someone on this side asked the minister how many inspectors it would require to supervise, and I think the minister said about one hundred. Later he said it might take more, that it might be 125. If my information is correct, at the peak last summer there were actually between 200 and 300. Could the minister explain that?

Mr. GARDINER: The statement last year was that it would take 100 to 125 in addition to the inspectors already employed under the Prairie Farm Assistance Act. I think that is about the way it worked out. When we had between 200 and 300 the greater number were men who would have been out in connection with Prairie Farm Assistance work.

As to the suggestion that we should use municipal men, we used municipal men altogether for the making of applications in connection with this legislation. A considerable part of the cost of administration goes to municipal secretaries. We pay the municipal secretary fifty cents for every claim made. With 186,000 claims it is apparent what goes to the municipal secretaries. I think it will also be agreed that many of the supervisors we have out are some of the best municipal men in Saskatchewan, and that is true of other provinces as well. The supervisor in the district covering Weyburn is Mr. Black, who has had, I think, as long a record as municipal secretary as any man in Saskatchewan, and a very creditable record. We have made an attempt to get men with experience in the two lines of activity mentioned by the hon. member, namely municipal work and hail insurance work.

We have, of course, tried to get men who at least believe in the policy and think it is doing some good to agriculture in western Canada. We believe that they will give better service than some others who might like employment but do not believe in the policy itself. We have had men—this may surprise my hon. friend—of our own political faith, apply for jobs on this work who were turned down because they do not believe in the policy; at least the reports are that when they are going about the country they have left the impression that they do not believe in the policy. I think hon. members will agree that if you have decided to put over a particular policy in an area, it is better to have men checking and inspecting on it who at

least believe in it and are trying to get the best possible results from it. We have been doing that as far as possible.

Mr. DOUGLAS (Weyburn): The minister spoke of the peak. I suppose the peak would come some time in the fall. What is the total number of inspectors, field men, supervisors, under the three bonus acts—the prairie farm income, the wheat acreage reduction and the prairie farm assistance—and how are they distributed between the three? Does the figure of two or three hundred cover only the wheat acreage reduction? My impression is that the number for all three is much higher.

Mr. GARDINER: I am speaking from memory; I would rather the question be put when I have the books before me and definite figures, but the same inspectors do the work on all three.

Section agreed to.

Sections 14 and 15 agreed to.

Bill reported, read the third time and passed.

WAR APPROPRIATION

SUPPLEMENTARY PROVISION FOR GRANTING TO HIS MAJESTY AID FOR NATIONAL DEFENCE AND SECURITY

The house resumed from Monday, March 23, consideration of the motion of Mr. Ilsley that the house go into committee to consider a resolution to provide that sums not exceeding $135,000,000 be granted to his majesty for national defence and security.

Mr. LACOMBE: Louder, please. I want to hear something, as a member of parliament. I want to know what is going on. On many, many days I do not hear anything.

Mr. SPEAKER: Order.

Mr. LACOMBE: I rise to a point of order. We can hear nothing, absolutely nothing, during many of the discussions in this House of Commons.

Mr. SPEAKER: Order. The house is now resuming debate on the motion of the Minister of Finance that I leave the chair for the house to resolve itself into committee of the whole on a certain proposed resolution for granting to his majesty aid for national defence and security.

Mr. LACOMBE: Mr. Speaker, you are not leaving the chair before I rise to a point of order in this House of Commons. I was insulted by the Prime Minister last Friday, as a private member of this house.

Mr. SPEAKER: Order.

Mr. LACOMBE: I rise to a point of order on this question.

Mr. SPEAKER: Order.

Mr. LACOMBE: I will cite to you the Hon. Mr. Gladstone, in 1872—

Mr. SPEAKER: Order.

Mr. LACOMBE: —who, when addressing the British House of Commons—

Mr. SPEAKER: Order. The hon. member for Hastings-Peterborough (Mr. White) has the floor.

Mr. WHITE: Mr. Speaker—

Mr. LACOMBE: I rise to a point of order, and I want a decision on this question.

Some hon. MEMBERS: Order.

Some hon. MEMBERS: Sit down.

Mr. SPEAKER: Order.

Mr. LACOMBE: You do not want to give me fair play in this democracy.

Mr. SPEAKER: The hon. member must resume his seat. He is not in order in saying what he has just said. We are on a certain order of business, which must be proceeded with. The hon. member for Hastings-Peterborough has the floor and must not be interrupted; and the Chair must not be defied.

Mr. LACOMBE: Mr. Speaker, I rise to a point of order. You are absolutely out of order—

Some hon. MEMBERS: Sit down.

Mr. LACOMBE: If you wish I will go out of the house, but you are being unfair on this question, absolutely unfair. You will remember this. If you read the 13th edition of May—

Mr. SPEAKER: Order. The hon. member must resume his seat. I have already said what is the business before the house, and if the hon. member continues to defy the Chair I shall have to name him. I hope he will not impose that unpleasant duty upon me, but the business of the house must be conducted in a decorous and proper manner. It is not being so conducted by the hon. member. I hope he will not cause me to name him and have him removed from the house.

Mr. LACOMBE: Mr. Speaker, it is not you; it is the government that is doing this.

Mr. G. S. WHITE (Hastings-Peterborough): Mr. Speaker, before the resolution now under discussion is advanced a stage, I should like to make a few brief remarks in connection with our war effort. First of all, I should like to

associate myself with the remarks made last night by the hon. member for Vancouver South (Mr. Green) who expressed the hope that the few remaining days before the Easter adjournment would be devoted entirely to a discussion of our war effort. In my opinion it is most unfortunate that during this session, which is now in its third month, we should have spent so much time in the discussion of the speech from the throne, the plebiscite, the question of wheat and so on, while practically no time at all has been available for the discussion of Canada's war effort.

Naturally all hon. members were greatly interested in the statement made this afternoon by the Prime Minister (Mr. Mackenzie King), but it is unfortunate that it is nearly two years since the registration was taken, and only now is the government making any attempt to put into force a comprehensive and extensive man-power scheme. Every hon. member knows of many cases in his own riding in which available man-power is being wasted. In my riding, which is largely agricultural, I find that even to-day cheesemakers are being called up for military training. I submit that a qualified cheesemaker is a highly skilled man in connection with our war effort. During the past few weeks meetings have been held in many agricultural ridings in Ontario, under the auspices of the provincial agricultural representatives, at which they have given cheese and bacon producers pep talks, pointing out to them the urgent need of increasing the production of bacon, cheese, cream, butter and all other foodstuffs. I do not think it is necessary to give pep talks to the farmers of Ontario in order to get them to produce more, because they are only too anxious to bring about maximum production. They ask for only two things—a fair price and that they be given some assistance in the matter of farm help. The remarks of the Prime Minister to-day in regard to farm help will receive most careful examination.

I had intended to say something at this time about the situation in connection with appeals by farmers to district boards, but I shall reserve that for a later date, after I have studied the statement given to-day. The Prime Minister stated that there would be further appeals, and that probably the boards would have to be greatly extended. I do not know under what department it comes, but I should like to point out that at the present time the military district in which Ottawa is located, being military district No. 3, includes an area extending practically from the town of Bomanville well into the province of Quebec. In this area are many centres of population, such as Peterborough, Lindsay, Belleville, Kingston, Ottawa and part of Quebec. The headquarters of this board is located in the city of Kingston, and appeals to the board may be made in person or by letter.

The point I should like to stress is that in future, when there will be many more appeals heard, would it not be better to have these boards visit the various counties in each military district two, three or four times a year, sitting at three or four of the main towns in each county. Then all appeals could be heard in person. At the present time representations are made by letter, and I submit that it is only proper and fair and just that all appeals should be heard in person, and in person only. If some such system as this were worked out, it would remove much of the rising criticism which we hear at the present time.

I wish to say a few words about the number of men in our reserve forces. Under the last book issued by the Minister of National War Services (Mr. Thorson), I believe he listed them somewhere between 140,000 and 150,000 men. My understanding is that the men in the reserve forces are made up of three classes: First, the men who were called for thirty days' training, numbering some 87,000 or 89,000, who took thirty days' training and then returned to their homes. I believe, according to the minister's statement, some 20,000 of those men have since enlisted in the active forces.

The second class of men in the reserve army are the men who were called for four months' training and retained in the army, and the men who have been called since the four months' training scheme was dropped. How many of these men have been called, I do not know, but I believe some 10,000 or 15,000 of them have enlisted in the active forces. The other men who make up the reserve army are the second battalions, and various other units who take their training at their local headquarters. The men who were called for thirty days' training have not yet received any further training—except the men who have been called back for further training.

I submit that the total number of men in our reserve army to-day is only the total number of men who have been called up for the duration of the war and who, so far as I can figure, amount to something like 50,000 men, or thereabouts. That is a great deal short of the 140,000 or 150,000 shown by the minister in his little blue booklet.

A short time ago an order was issued whereby some of these reserve force units would be brigaded. I believe the brigade for military district No. 3 is in the city of Ottawa. But there are many other reserve

force units in this district which are still orphans. I think the Minister of National Defence (Mr. Ralston) must surely realize at this late date that he cannot hope to train men in the reserve army by training two nights a week for two or three hours, with obsolete equipment.

The type of training carried on by these reserve force units consists in many instances of simply parade ground drill, and elementary rifle and bayonet practice. In many instances this is the only type of drill they can take, because they have no other equipment. I have read in the press at various times that the Minister of Munitions and Supply (Mr. Howe) has stated that he can equip a division every six weeks. If this means that he can fully equip a division every six weeks, what, then, is the reason why reserve force units have so little and, in many instances, no equipment for training purposes? These men in the reserve forces cannot continue to be trained in the Boer war methods any longer, because very soon these men may be called upon to engage in fighting an enemy who is fully equipped, highly trained and fully mechanized in the 1942 method of conducting a war.

When are those men in the reserve force units going to receive advance training, or when will they receive instructions on mortars, Tommy guns, grenades, or take part in manoeuvres or advanced military tactics in connection with planes, Bren gun carriers, tanks and so on?

If an emergency arose and these reserve force men were called out to engage an enemy, I submit that it would be only criminal to expect them to fight and to engage an enemy equipped with modern weapons. I have on various other occasions in the house attempted to impress upon the Minister of National Defence the importance of time. Time is the one great factor in this war. I should like to ask the minister why these reserve force units cannot be called up and placed on full-time training. There are dozens of armouries across this dominion which are used to no purpose, except for reserve force units. Any member of the house who has visited a modern training centre must have been impressed by the manner in which these training centres are equipped, and also impressed with the very highly skilled and trained officers and non-commissioned officers, and men on the permanent staff. Trained personnel of the army is a very, very important factor to-day.

I would suggest to the minister that in order to increase the number of men now being trained, dozens of armouries throughout Canada should be used for basic training. At the present time the basic training is taken at various training centres. If the men could receive their training—

Mr. SPEAKER: Order.

Mr. WHITE: If the men could receive their basic training at local armouries, these training centres, with their fine equipment and their highly skilled staff could then be used entirely for advanced training. The recruit, on being called up, would be examined, attested, and attached to a reserve force unit at his nearest armoury. There he would go through a course of physical drill, route marches, receive instruction in discipline, training in rifle, bayonet, machine gun, gas and other elementary training.

Mr. SPEAKER: Order.

Mr. WHITE: I am sure there are plenty of officers in the reserve force and plenty of non-commissioned officers in that force, also many veterans of the last war who are quite capable of carrying on and conducting basic training at local armouries. If some such system were adopted, the number of recruits passing through training centres could be practically doubled every two months. If this were done, the reserve force units would then be performing some useful purpose. As they are constituted at the present time, and as they train at present they are practically useless; and the cost of maintaining these dozens of armouries with partial staffs and small administrative and training staffs, and all the other thousand and one items which enter into military expenditures, must be enormous. Each year very large sums are spent on the reserve force units, and in my opinion the results do not justify these huge expenditures.

There is the further point, that if we are to continue the voluntary system of enlistment in Canada—and apparently that is the only system we are going to have—the reserve force units could do a great deal in supplying recruits for the active forces.

The Minister of Finance (Mr. Ilsley) has just placed before the house a bill providing for a gift of a billion dollars to Great Britain. There are in his name on the order paper other bills totalling over two billion dollars. Certainly these are staggering sums. Apparently he deals only in millions and billions. But when he comes to dealing with the soldiers he gets down to pinching pennies, for the first time. In the last session members from all parts of the house urged the government to consider a revision of rates of pay and allowances for boys in the armed forces. True, there was some slight adjustment in

regard to the third and fourth child; but that was really nothing very much, because it should have been that way since the war started in 1939.

Mr. SPEAKER: Order. I must ask the hon. member for Laval-Two Mountains to moderate his voice. He is interrupting the hon. member who is speaking. That hon. member is entitled to the same courtesy as the hon. member who is interrupting would expect.

Mr. LACOMBE: Never mind; it will be all right.

Mr. WHITE: Everyone admits that the cost of living has greatly increased since September, 1939. The government has recognized this by granting a cost of living bonus; but, strange to say, it does not apply to the armed forces. How strange that everyone else in this Canada of ours who is doing any kind of war work receives the highest of wages; yet the men in the armed forces, the only men in Canada who are really making any sacrifice, are discriminated against because they receive no increase in pay, no increase in living allowance, and their dependents are forced to get along on the scale established in September, 1939. I submit to the minister that there is nothing political whatever about this request for an increase in pay for the soldiers, since members of all parties have urged the government to give consideration to making some such adjustment. I sincerely trust that in the very near future the minister will announce that even at this late date something will be done in the matter of adjusting the soldier's pay, and I can assure him that it would have some effect on recruiting, because undoubtedly a young man to-day can earn a great deal more money and enjoy a great many more privileges and comforts by undertaking war work in a factory than by joining the army.

I noticed on the bulletin board of a local newspaper this morning that there were three air attacks on England last night, the first for months, the warming-up for the spring offensive that is soon to break. It will break within a matter of days on all fronts round the world. Here in Canada what are we doing about a spring offensive?

Mr. LACOMBE: France will never die.

Mr. WHITE: Our spring offensive in our appeasement policy will open on the 27th day of April when the people of Canada will be asked to vote "yes" or "no" on a meaningless question. What a fine contribution to our allies of the united nations! Only a few days ago in this house the members heard the Prime Minister read a statement that had been issued by Anthony Eden disclosing the atrocities and vengeance wreaked by Japanese soldiers on helpless Canadian and British war prisoners at Hong Kong. Members heard how a ruthless, barbarian, savage yellow enemy raped and ravished white women and girls.

Mr. LACOMBE: We do not fear the yellow colour.

Mr. WHITE: How could any member sit in this house and hear that report read without his very soul being filled with rage and vows of vengeance upon this enemy? Yet, when the Prime Minister had finished his statement, we calmly proceeded with our plebiscite proceedings. I fully expected that after the Prime Minister had made that statement he would have announced that the plebiscite had gone by the board and that we would at last get on with a total war effort. In my riding there are many boys who enlisted and went to Hong Kong.

Mr. LACOMBE: And the plebiscite will be won by the government, with the radio.

Mr. SPEAKER: My patience is almost exhausted. The hon. member is deliberately defying the Chair. I cannot allow that to continue, and I warn the hon. gentleman now that if he persists in further interruptions, I shall certainly name him. I hope he will not put that unpleasant duty upon me.

Mr. WHITE: There are many boys in my riding who went to Hong Kong, and it would not be well for anybody to go into that riding and ask the parents, brothers, sisters, wives and sweethearts of any of those boys, what they think about the plebiscite or whether they think that Canada should at this late date make a total war effort, nor would it be wise for anybody to go into my riding, which, of all the ridings in Canada, has probably the largest percentage of men in the armed forces, and ask the parents and families of those boys who have gone overseas what they think about the plebiscite and whether they think we should wage total war at this late date.

This yellow peril is coming closer and closer to our shores every day. If Australia falls, what happened at Hong Kong and Singapore will happen here. The very thought of such outrages happening in this country should be enough to make us finish with our appeasement ways and decide at once to make a total war effort and wage total war, which our enemies have done from the day war started. Surely our days of complacency and appeasement should end now, because what happened in Hong Kong and Singapore can happen here

and probably will happen here. In the few remaining days that are left to us before the storm breaks, are we bending every effort and making every preparation we can? Are we mobilizing all our resources and making plans for every possible emergency, or are we still living in a fairyland and saying that it cannot happen here? Are we still depending upon the British navy and the Yanks to protect us? I regret, Mr. Speaker, that even to-day there are many Canadians to whom the war means only some slight curtailment of their rights and privileges.

Mr. LACOMBE: May I ask the hon. member a question?

Mr. WHITE: Will the hon. member please sit down.

Mr. LACOMBE: He does not want to answer my question?

Mr. WHITE: Certainly not.

Mr. LACOMBE: All right; continue your speech. It is a very Tory speech.

Mr. SPEAKER: I am compelled by the hon. gentleman to take a step that I hoped I would not have to take. If he has any explanation to make of his conduct or any apology to make to the Chair, I shall be glad to hear it now.

Mr. LACOMBE: I am not Hitler in this House of Commons; I am not Quisling in this house; I am a Canadian; that is all. I want an answer from the hon. gentleman.

Mr. SPEAKER: Order. Apparently there is no explanation and no apology to the Chair for the attitude of the hon. member. I therefore name him—Mr. Liguori Lacombe. The hon. member for Laval-Two Mountains will withdraw.

Mr. ILSLEY: Mr. Speaker, I believe the practice is that the minister leading the house or the senior minister present moves that the hon. member be suspended for the remainder of the sitting. I do that.

Mr. SPEAKER: It is moved by Mr. Ilsley, seconded by Mr. Crerar, that the hon. member, Mr. Liguori Lacombe, member for Laval-Two Mountains, be suspended from the service of the house during the present sitting. Is it the pleasure of the house to adopt the motion?

Motion agreed to.

(Mr. Lacombe thereupon withdrew.)

Mr. WHITE: I regret that even to-day in Canada there are many Canadians to whom the war means only some slight curtailment of their rights and privileges. To many possibly the shortage of gasoline is a calamity, for they cannot and will not see this terrible menace that is looming up over our horizon. I submit, Mr. Speaker, that the citizens of Canada can only be made to realize their great danger by the government giving them a proper lead and showing them proper leadership at this time. I am convinced that in 1942 Canada will be both invaded and bombed, and when that happens it will avail us little to weep, wail and wring our hands and vainly regret that we did not do more while we still had time. It is the plain duty, responsibility and obligation of every member of this house, because the members of this house are the only ones in Canada who have any real authority, to speed up into high gear our entire nation to a total war effort.

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, it seems to me a pity that the work of the house was not so organized that we would not be rushed, with so many matters of importance, just before the long Easter adjournment. The present resolution is one preceding the granting of a supplementary estimate. I believe it is a time-honoured custom of the British parliament that before supply is granted, members shall receive all possible information.

There is another reason why we should receive information at this time. We are sometimes accused of not cooperating with the government and of retarding the work of the administration. I submit that it is becoming more and more difficult to get any reliable information from this government. If we want to know what the government is doing, we have to go either to the press room or to the *Financial Post*.

I will give the house a glaring example of the condition of which I complain. On March 12 I put on the order paper a number of questions; they remained on the order paper for some time and then were passed as an order for return. I do not know why that was necessary, because my understanding is that an order for return applies only when the information required has to be obtained from several departments, or possibly from branches of the same department in various parts of the dominion. I submit that all the information covering the questions asked by me was in the Department of Munitions and Supply. These were my questions:

1. How many corvettes have been ordered by the Department of Munitions and Supply from the 1st of September, 1939, to date?

2. How many have been launched by the various builders in the same period?

3. How many have been delivered to the government in the same period?

To these questions the following answer was returned:

1, 2 and 3. It is not in the public interest to give this information.

Question No. 4 was:

4. What is the average cost to the government of the corvettes delivered?

That question was answered:

4. $600,000.

The next question was:

5. How many shipyards are building corvettes for the government?

This question was answered.

6. What is the average cost of the corvettes completed to date for each yard?

The answer was:

Partly answered by 4. To give complete answer would disclose the location of the shipyards concerned which is not in the public interest.

Mr. HANSON (York-Sunbury): Everybody knows where they are.

Mr. MacINNIS: That is just what I want to tell this house.

I have in my hand a copy of the *Financial Post* of December 6, 1941. In it there is a full-page article by Allan C. MacNeish, editor, *Canadian Shipping and Marine Engineering News*. All of the information I asked for and more is given in that article. But the point is this. This information is correct, and was given to the author by officials of the Department of Munitions and Supply or by the yards building the corvettes; or it is not correct, and it is giving information which the department and the government state it is not in the public interest to disclose. Therefore I maintain that the government should prosecute the editors of the *Financial Post*. The *Financial Post* has not been prosecuted.

Seeing this information in the newspaper, I wanted it brought up to date, and the reply I receive from the Department of Munitions and Supply is that it is not in the public interest to give the information. Yet the public had the information months ago. But when we ask the government for it, this is the answer we receive. Then the government asks hon. members to cooperate with it in expediting the passing of this estimate and other business.

Mr. CRERAR: May I ask the hon. member whether he can vouch for the truth of the statement in the *Financial Post?*

Mr. MacINNIS: The minister has missed the point. If the statement is not true, the *Financial Post* should be prosecuted. Even if the statement is true, and if it is a matter which the government considers it is not in the public interest to disclose, the newspaper should be prosecuted. It is now held that it is not in the public interest that I should have it—and remember that, when a member of this house asks a question and the question is made an order for return, it is not the member who is refused this information, but this house, because when the return is tabled it becomes the property of parliament.

Mr. CRERAR: May I suggest that a newspaper report of the cost or of the number of corvettes built and where they are built does not carry the same sanction as a return brought down by the government.

Mr. MacINNIS: All right, then. I should like to ask who gave out this information.

Mr. CRERAR: The information may have developed in the imagination of the person who wrote the article.

Mr. MacINNIS: Then a person should not be allowed to give out information in that fashion. There are people in internment camps for saying far less than that—if this is government policy. Remember this is a responsible paper, and the author of the article is a responsible individual, the editor of *Canadian Shipping and Marine Engineering News*. It begins:

Most Canadians are landlubbers.

I believe the government thinks that most members of parliament are suckers, when it treats us like this. The article gives a history of the development of the shipbuilding industry since the war began. It states:

These sobering facts might lead to the conclusion that Canada's shipbuilding programme is nothing to write home about. But this impression would be even less correct than the quick optimism gleaned from first impressions. Actually, the Canadian programme is one of the biggest jobs the dominion has ever tackled.

And so on. I will give the house the figures given by this paper. The government can deny them, if they like. It begins: Of cargo ships, 4,700 and 9,300 tons, 153 were ordered. 7 launched and none delivered. The total estimated cost of these was $275,000,000, which works out at $200 per ton, or an average of $1,800,000 per ship. Where are the yards? Vancouver, North Vancouver, Victoria, Prince Rupert, Montreal, Lauzon, Lévis, Sorel, Saint John and Pictou.

Then we have corvettes—this is the information I wanted: Ordered, 135. It is not in the public interest that hon. members should have this information. Launched, seventy-seven; delivered, fifty; total cost, $81,000,000; cost per ship, $600,000. Where are the yards? Victoria, Vancouver, Collingwood, Midland,

Kingston, Montreal, Sorel, Lauzon, Quebec. There are some others which may not be operating just at the moment. Everyone in Canada knows where corvettes are being built.

Now we come to mine-sweepers: Ordered, eighty-five, launched, fifty-nine; delivered, forty; total cost, $51,000,000; cost per ship, $600,000. The yards are at Port Arthur, Collingwood, Toronto, Kingston, Montreal, Sorel, Lauzon, Quebec, Sydney and Halifax. Information is given in the same way for destroyers and wooden vessels.

An hon. MEMBER: What was that date?

Mr. MacINNIS: The date of this paper is December 6, 1941. I fancy the only difference between the information quoted and the actual information in the Department of Munitions and Supply is that a few more corvettes have been delivered than is indicated here.

I suggest to you, Mr. Speaker, that such treatment of the members of this house is not good enough, and it is happening every day. It was only yesterday that the Minister of Finance (Mr. Ilsley) said in reference to certain subsidies which are to be paid in connection with the importation of certain food products that he did not know whether he would tell the house who received those subsidies. If the house has any pride or independence left, its reply will be that these subsidies shall not be paid until the house decides that they shall be paid, because if this sort of thing is to be done we might as well go home, for we are of no further use here. We cannot protect the interests of the people who sent us here unless we have sufficient information on which to base our decisions; neither can we cooperate with the government because what we do will not be cooperation but merely acquiescence in what the government does. There is an immense difference between cooperating in the doing of something and acquiescing therein. I should like very much to assist the government, because I am intensely interested in furthering the country's war effort; but I certainly feel that I should be treated as a responsible member of this house. I do not believe the members are Quislings or fifth columnists or children or imbeciles that they should be treated in this fashion. What is the use of asking questions if we are to be given answers of this kind?

There are a number of other things to which I was going to refer while on my feet, but I do not wish at this stage to mix too many subjects. I simply wish to call this situation to your attention, Mr. Speaker, and to the attention of the hon. gentleman who is leading the government to-night, and I do so in the strongest possible terms.

Hon. H. A. BRUCE (Parkdale): Although wholeheartedly in favour of the billion dollar gift to Great Britain, I allowed my leader (Mr. Hanson) to speak for me and did not participate in that debate because I did not wish to feel that I was delaying the passage of the bill even by a moment, realizing the truth of the old Roman proverb that "he gives twice who gives quickly". Having listened to a number of speeches during that long debate, I have been forced to the conclusion that many members of this house have not even yet awakened to the full realization of the news that comes to us daily from all parts of the world. They seem still to believe that the horrors of war cannot touch us. I can best answer them by quoting some significant words of Sir Stafford Cripps:

> This war is not a game to be played according to certain rules; it is a life and death struggle for survival, and in that struggle there are and must be no partial interests. It is impossible to have regard to the interests of groups and classes and people still keeping in mind what their position is likely to be after the war, and at the same time to make our effort all-inclusive.

Yet we are dawdling along in this house as if we had all eternity before us, and in a few days we shall adjourn for three months' vacation—

An hon. MEMBER: Three weeks.

Mr. BRUCE: It might as well be three months. What have we done to deserve a holiday? One cannot help being forced to the conclusion that many of the speeches which were made on the two measures so far concluded would have been enormously curtailed if it were not for the opportunity given here to parties and groups to make parliament a sounding board to publicize their particular theories and ideas of government.

Mr. COLDWELL: I rise to a point of order. The hon. member is imputing to members of this house motives which he should not suggest. He said that if this house were not a sounding board for theories and policies, certain speeches would not have been made. The suggestion is that the motive was not to discuss the business of the country but to use the house for an entirely different purpose, and I request that the statement be withdrawn.

Mr. SPEAKER: If the remark were made in the general terms which the hon. gentleman states, I should not think he intended to make any imputation of improper motives to any members of the house.

Mr. BRUCE: I suggest, Mr. Speaker, that the 40-minute rule with regard to speeches be changed to 15 minutes, which would require that the speeches be more carefully prepared and condensed. In order to illustrate my point I should like to tell a story of a clergyman who was asked if he would give a 15-minute address on a particular occasion. He declined on the ground that he had not time to prepare it. When surprise and disappointment were expressed he said, "I should be glad to give you an address of 40 minutes, because I could speak discursively, but if I have to concentrate and crystallize my remarks into a 15-minute speech I have not time to prepare it." That, I think, is a very apt illustration of a good deal of what we have heard here.

I make the further suggestion, that for the duration of the war *Hansard* be abolished. This would have the effect of saving a good deal of time and money which could then be devoted to war purposes. We are facing the greatest crisis in our history; the issue soon to be settled is whether we are to be free or slaves. We are up against the greatest combination of superbly trained and magnificently equipped military forces that this world has ever seen, who continue to inflict upon us defeat after defeat. Let us not deceive ourselves, but admit the fact that up to the present we have lost every battle, and unless we make a total war effort by utilizing at once all our resources both physical and human, we shall lose the war in this year 1942.

When Sir Stafford Cripps, who should be better informed on the situation in Europe, than any other man, arrived in New Delhi yesterday he said, "There is no time to lose and no time for long discussions." The able representatives of the newspapers in Canada in the press gallery can be relied upon to sift the wheat from the chaff, and I am sure the reading public will not suffer as a consequence of what I propose.

The Minister of Munitions and Supply (Mr. Howe), speaking on the radio last night, revealed an alarming shortage of rubber, stating that when our present supply is exhausted there will be no more rubber available until the synthetic plants are built and able to produce, rubber. This, I understand, will take from one to two years. So it is quite obvious that our prospect of getting rubber in the near future is very remote. I wonder whether the government have done all that is possible to conserve our rubber supply. Have they taken an inventory of the tires in the hands of manufacturers and dealers throughout the country? Only two weeks ago I was told by a responsible citizen that he had been offered new tires for his car by a dealer who said that up to that time no inventory had been taken of his stock and therefore no one was in a position to check up as to what he did with his tires.

To be caught at this time with a shortage of rubber seems to indicate a lack of foresight on the part of those responsible for our war effort. I was told more than a year ago by a high official in the rubber industry in Canada that Japan was very likely to destroy our major sources of rubber. This man had this information; so surely some one connected with the Department of Munitions and Supply or with the war departments of the government would equally have had the opportunity of knowing what the situation was likely to be. Again "too little and too late".

The minister also announced last night that the speed limit would be reduced to forty miles an hour. Why not to thirty-five miles an hour? I know that investigators in the laboratories of some of the oil companies have proved that the most economical speed in regard to the use of gasoline and oil is thirty-five miles an hour, which was the speed limit in Ontario until a few years ago. I suggest that it be again reduced to thirty-five miles an hour to save gasoline and rubber tires.

I wish to express my approval of the suggestion made by the hon. member for Vancouver South (Mr. Green) last evening that we send a token force to Australia. We fought side by side in the last war, and I think all hon. members will appreciate what a wonderfully stimulating and encouraging effect that would have upon our brothers down under. The force need not be large, a regiment or a brigade. It would be very much better for us to fight Japan in Australia than in Vancouver.

I feel that some comment should be made on the recent adoption by the Minister of National Defence (Mr. Ralston) of the suggestion made by the hon. member for Vancouver South when the minister announced the appointment of officers to the supreme command on the west and east coasts of Canada. We are fighting Germany and Japan whose policy has been and is to require their senior officers to be trained in the three arms of the service—the navy, the air force and the army—before they are given a unified command. May I ask the Minister of National Defence what training the recently appointed commanders in chief on the Pacific and Atlantic coasts have had in the air force and the navy? We have had many indications that our enemies have adopted entirely new methods of warfare, which have been very successful, and if we are to have a chance of

defeating them we also must adopt new methods. Is Canada adopting new methods similar to those to which I have referred? True, we have three ministers of defence; I think it is true also to say that the plebiscite bill recently passed was a defence measure—a defence of members of the government for their past performances. May we not learn from our enemies, who have introduced into this war entirely new tactics? Only to-day a Japanese general is reported on the radio to have said, "Defence methods will never lead to victory." I would add that Australia did not hesitate to place her military forces under the command of a man of experience and proven ability, even to the extent of going to the United States to secure such a man, when they obtained General MacArthur. Mr. Churchill did not hesitate to go to Australia to secure a man militarily and diplomatically capable of filling a position in the middle east, when he appointed Hon. Richard Casey of Australia to that important post, at the same time making him a member of the British war cabinet.

I have just one more suggestion to make, which I have saved till the last because, in my opinion, it is the most important of all. I am sure no one will gainsay the truth of my assertion when I say that we have in Canada to-day a man who has the knowledge and experience, and who stands out as the greatest leader this country has ever produced. I refer to Lieutenant-General A. L. McNaughton, whom I now suggest that the Prime Minister appoint as minister of war and deputy prime minister. It may be urged that he could not be spared from his position overseas, but I venture the opinion that after two years of effort and training and planning, someone else could now be found to carry on his duties over there. I am sure that this would go a long way toward satisfying and relieving the anxious and much perturbed Canadian people.

Mr. A. M. NICHOLSON (Mackenzie): Mr. Speaker, in concluding his remarks last evening the hon. member for Vancouver South (Mr. Green) sounded a very realistic note. While I do not agree with everything he said, I believe that his remarks in discussing many national problems should be carefully considered by every member of parliament. If there were other hon. members who felt disposed to follow along a similar line, I would hesitate to take the time of the house to say what I am going to say to-night.

The subject which I propose to discuss no doubt will appear to many hon. members as one which should be left until after the war is over. I refer to the housing of the Canadian people, particularly those in our defence area. The hon. member for Parkdale (Mr. Bruce) made reference to the distinguished commander of the Canadian forces overseas. When General McNaughton was interviewed last fall by a delegation of Canadian editors and asked for a message which they could bring back to the Canadian people, which would convey to us the most urgent need of the moment, he is reported in an article written by Hugh Templin, which I believe appeared in most of the weekly newspapers of Ontario, as follows:

> Asked what is the most urgent need at present, General McNaughton replied: Put every emphasis on the production of weapons and equipment. We need technical improvements such as can be worked out under the direction of the national research institute and others who work under Mr. Howe. Then these improvements must be put into production quickly. . . .
>
> General McNaughton would not say how many should go into the army and how many into industry. We should survey our man-power first. We want no flash in the pan. We must plan for a war of long duration and not put all our goods in the show window now.

I realize, Mr. Speaker, that the reverses have been many, and the thing that may impress many people at the moment as being most important may not necessarily be most important in the long run. I think that before Hitler will be defeated we must follow the suggestion of General McNaughton and prepare great quantities of the most modern equipment; and if that is to be done, the question I am now discussing becomes a matter of very great importance. Mr. Charles Abrams, in a recent copy of the *New Republic*, states:

> . . . housing cannot win the war, but it can lose it. The habitats of thousands are now boxcars, pews, jails. Defence workers, bidding against each other, have doubled room rents and brought back the three-shift hot-bed. Increased rents have wiped out wage rises. Employers complain of labour turnover, inefficiency, disaffection; health officers warn of epidemics. Lack of housing has upset the production time table. Our programme of defence housing has failed; our wartime housing programme is threatened.

If all the workers in industry could live in surroundings similar to those enjoyed by members of parliament in Ottawa, there would be no question of our production being affected by housing. But in order that hon. members might understand the problems facing the workers, I would suggest that for the next three months we live on a budget similar to that followed by workers in industry, and then set out in this or any other city in Canada to find suitable housing for our families. In the city of Ottawa a great deal has been said

about the difficulties experienced by stenographers who come here; and reliable reports indicate that already we are facing a very serious turnover of labour in all the cities of Canada where our large industries are located, as a result of workers being unable to secure housing. During the last war in the United States they found that in key industries they had a labour turnover of from 100 to 1,000 per cent per annum, as a direct result of not being able to find houses for their people. In the production of munitions this year we shall spend at least a billion dollars; and for the sake of argument assume that we may have a wastage of 10 per cent as a direct result of workers not being able to find living quarters. Thus, in terms of dollars and cents you have a wastage of $100,000,000.

Let me illustrate the problem that arises. In the city of Hamilton, for example, we have many of our largest war industries. Men have gone to that city from all parts of the dominion. Recently I visited one of my constituents who moved there. He spent days and days trying to find a place for himself, his wife and his family to live, and at last in desperation he bought a house for which he paid a cash payment of $300 and arranged to pay the balance in monthly payments representing about twice what that house was actually worth in terms of rental. In all probability this man will be leaving Hamilton when the war is over; but if he had not been in a position to pay the amount I mentioned, I do not know what he would have done for housing accommodation. He happens to be a trained artisan; but had he been unable to find housing in Hamilton, and if he could have found in Guelph or Palmerston or Georgetown a place to live, so that his children could go to school, naturally he would have left the essential war industry if he could have found any sort of employment, even in a non-essential industry.

I realize that the government has given consideration to this question. A year ago it was so impressed with the matter that $10,000,000 was appropriated to set up Wartime Housing; and at a later date, when the Minister of Munitions and Supply (Mr. Howe) is in the house, I plan to say something about Wartime Housing projects. To-night, however, I make a special plea to the Minister of Finance (Mr. Ilsley), before he writes finis to a very interesting chapter in housing in Canada, the national housing administration. Representations have been made to the Minister of Finance from many places in Canada appealing to him to have activities in connection with national housing continued for at least another year. I know the problem confronting the minister in finding money, spending it, and satisfying the many demands. It might seem to him that this is a place where economy might be effected, and that we might discontinue the building of cheap permanent houses until the war is over. But let me remind the house of the condition which prevailed in Canada at the commencement of the war.

Canada and the United States had two of the most unenviable records, as far as providing houses within the range limit of people receiving low incomes is concerned. No civilized country in the world waited as long as we did, before giving consideration to this national problem. We have said that this was a problem for the municipalities. The municipalities have replied, "We cannot cope with it; the provinces should assume the responsibility." The provinces, in turn, pass the buck to the dominion.

In the time at my disposal, I am unable to review the development in Canada since 1913, when the very first Canadian conference ever to be held in connection with town planning was assembled in Winnipeg. I have before me a table showing the building activities in eighteen of the most important countries in the world between the years 1929 and 1937. Canada is outstanding in this report in two respects. Taking 1929 as a base period of 100, our percentage dropped to a level lower than that of any of the other countries—namely to a point of 9·7 in 1933. It remained at the lowest level in 1937, when it stood at 24. Other countries, such as Great Britain, did not get below 114 in 1933 and 151 in 1937. In Great Britain they took the attitude, quite correctly, "Here is a field where the government should spend a large sum of money. Money invested by a government in providing low-priced housing is a good investment." They realized that workers who otherwise would be unemployed would in this way be engaged in using raw materials to build something of permanent value. The result is that in the United Kingdom they had a comparatively good record.

If we take 1932 as a base period at 100, we find that the figure for south Africa in 1937 was 582, or five times as much building in 1937 as there was at the depth of the depression. Unfortunately statistics are not available for a very wide area in Canada. As a matter of fact, Winnipeg is the only city in Canada that has prepared a careful annual report which gives any true picture of the prevailing situation. The last report from Winnipeg points out that during the last five years the total dwellings and suites provided was 1,886, while

during the same period there were 18,322 marriages, or one dwelling or suite for approximately every ten marriages. Of course, many of the marriages are of people from outside the city; but if three-fourths of the marriages were of city people, the rate would be only one dwelling or suite provided for approximately every seven marriages.

The figures show that in 1941 Winnipeg had the most serious housing shortage in its history. There were only 111 vacancies, including suites and houses, as compared with 337 in the previous year and 704 in the year before that. In other words, the vacancies amounted to less than one per cent. Last week the mayor of Winnipeg appeared in Ottawa with other mayors to present the housing problem to the Minister of Finance. While here, he told me of some of the problems which arise in a city like Winnipeg. The wife of a man who is overseas had informed him she had been notified to vacate, and she had not the faintest idea where another house could be secured. He pointed out that this was very bad for the morale of our troops. It is not good to have married men in the forces learn that housing is not available for their dependents here, and that there will not be sufficient housing for them when the war is over.

I realize it is very important that our men and materials should be used in the production of those things which are most necessary. But we have in Canada a great many middle-aged men who have been associated with the building trades, and who will be in the ranks of the unemployed unless we continue our house building programme. I am referring to houses built under plans such as the national housing administration. Housing under Wartime Housing Limited is being carried on by large contractors, and the small contractor has not a chance to enter the picture at all. So, from the point of view of housing our people who are in war industries, and housing the relatives of our men in the forces, I suggest that the minister should give this problem very careful consideration before he dismisses it. I am sure it has been presented to him with great force by many delegations.

I do not approach the subject from the point of view of those real estate people who are concerned about the carrying on of a national housing activity from a purely personal point of view. I am thinking only in terms of a national problem. Again I must say that unless a maximum housing programme is carried on in Canada, we are going to have a very serious reduction in our production, and we shall have a whole host of social problems before the war is over, and after it.

I believe the national housing programme is one which might give the Minister of Finance a great measure of pride. I have in my hand pictures sent to me by the Quality Homes Corporation of Vancouver, showing homes which had been built in Vancouver under Wartime Housing Limited. As has been stated repeatedly, these houses are only temporary. Assurances have been given that they will be demolished when the war is over. Wartime Housing Limited have been able to satisfy public opinion that these houses will not interfere with the investments of the other property owners. The houses built in Greater Vancouver by Wartime Housing Limited are built at an average cost of $2,996.97 per house, without basement or furnace. In the same city permanent houses have been built with full-sized basements, containing furnaces. These houses are of permanent construction, and they are built at a cost of $2,500, or approximately $500 per house less than these flimsy wartime houses.

On motion of Mr. Nicholson the debate was adjourned.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Wednesday, March 25, 1942

The house met at three o'clock.

TAXATION

AGREEMENT WITH BRITISH COLUMBIA RESPECTING VACATION OF TAX FIELDS

Hon. J. L. ILSLEY (Minister of Finance): I desire to lay on the table copy of the agreement between the dominion government and the government of British Columbia relating to vacation of tax fields.

Mr. HANSON (York-Sunbury): Are printed copies available, or are they not to be distributed?

Mr. ILSLEY: No, it was not intended that copies be distributed.

PRIVATE BILLS

PETITION OF SAGUENAY TRANSMISSION COMPANY, SAGUENAY ELECTRIC COMPANY, AND ALUMINUM POWER COMPANY

Mr. J. E. A. DUBUC (Chicoutimi) moved:

That the petition of the Saguenay Transmission Company, Limited, Saguenay Electric Company, and Aluminum Power Company, Limited, presented on the 24th instant; praying for the passing of an act to approve of the site and plans of their electrical transmission lines

crossing certain navigable rivers, together with the report of the Clerk of Petitions thereon, be referred to the standing committee on standing orders to consider the suspension of standing orders 92 and 93 (3) (a) and (c) in relation thereto.

Hon. R. B. HANSON (Leader of the Opposition): I cannot understand why special legislation is required for this application. We have a Navigable Waters Protection Act. It may be that a situation has arisen which is not covered by the act, but we ought to have some explanation by the mover as to why this legislation is required.

Mr. SPEAKER: This motion is presented only in order to cover delays which have taken place in connection with the petition. It is purely a formal matter.

Motion agreed to.

ALBERTA NATURAL RESOURCES

AMENDMENT OF TRANSFER AGREEMENT RESPECTING ROYALTIES ON OIL PRODUCTION

Hon. T. A. CRERAR (Minister of Mines and Resources) moved for leave to introduce Bill No. 18, to amend the Alberta Natural Resources Acts.

He said: In 1929, by agreement between the federal government and the province of Alberta, the natural resources in that province were transferred to the Alberta government. At that time there were certain licences outstanding for oil rights and timber rights. These licences had been issued by the federal government, and of course the Alberta government accepted the responsibilities which attached to the licences. Under the terms of the transfer agreement it was held that their conditions could not be varied. In 1938 it was necessary to amend the transfer agreement to enable the Alberta government to put into effect certain conservation measures in respect of the oil development in the Turner valley. The present amendment to the transfer agreement also relates to oil produced in Alberta. The Alberta government have been desirous for some time to secure the power to vary the royalties which may be charged. Certain wells were capable of paying higher royalties than other wells, but the government was limited to similar treatment for all wells covered by dominion licence. The matter has been the subject of discussion between the provincial authorities and the majority of those interested in the oil industry, and the amendment to the transfer agreement which is here proposed is to give effect to certain understandings which have been reached between the provincial government and these oil interests.

[Mr. Dubuc.]

Mr. HANSON (York-Sunbury): Would the minister say that the matter referred to has been the subject of correspondence which could be laid on the table for the information of members of parliament?

Mr. CRERAR: I should be glad to bring down any correspondence which relates to the matter, but my recollection at the moment is that there is very little. I recall that over a year ago the matter was first broached to me by the minister of resources for the province of Alberta, and the suggestion was made then that, since certain oil interests were concerned, the provincial authorities should discuss the matter with them before we would be warranted in giving authority to vary the terms of the licences which had been issued. Subsequently that was done, and we were advised several weeks ago by representatives of the oil interests and by the province that they wished to have the agreement amended to give effect to certain understandings they had reached.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

PRICE CEILING—POTATOES

Mr. HATFIELD:

1. Did the wartime prices and trade board release a statement to the newspapers regarding the establishing of a price ceiling on potatoes in which there was mention of speculative buying?

2. If so, what evidence is there of speculative buying?

Mr. ILSLEY:

1. Yes.

2. Potato price quotations collected by the wartime prices and trade board indicate that in many cases the spread between prices received by the grower and prices paid by the consumer widened appreciably in the period immediately prior to the application of the ceiling on potato prices. These facts were accepted by the board as evidence of speculative buying.

ESTEVAN-BIENFAIT LIGNITE COAL AREA—POWER

Mr. TRIPP:

In view of the increased demand for electrical energy for manufacturing purposes, will the government favourably consider developing a head of power in the Estevan, Bienfait lignite coal area?

Mr. HOWE: The federal government does not assume financial responsibility for

developing power projects. However, the information is that the supply of power in the Moose Jaw-Regina area at the present exceeds the demand, and, until such time as this is taken up, it is unlikely that any additional power development will be undertaken in this area.

*SMALL MACHINE SHOPS IN WAR PRODUCTION

Mr. CASTLEDEN:

1. What steps have been taken to utilize the smaller machine shops throughout the dominion in war production?

2. How many of these shops capable of some war production are still not utilized in such work?

Mr. HOWE:

1. As a result of approximately 1,800 surveys of machine shops alone, every effort has been made and is being made to bring all of the machine shops in Canada into war production, consistent with the efficiency required to make as much war material as possible, as soon as possible.

We are still in the position, partly due to shortages in raw materials, of being able to select first those machine shops which can be used most efficiently. This efficiency depends upon:

(i) A combination of good management and skilled labour with machine tools which are in shape to do the precision work required in to-day's war machines;

(ii) Reasonable proximity to the prime contractor's plant, so that supervision of quality and deliveries can be maintained and a minimum of time lost in transportation;

(iii) A reasonably sound financial condition, which enables the shop to finance its expanded operations.

2. A considerable number, particularly those located at a long distance from a prime contractor. This condition may continue until the raw material shortage becomes less acute.

There is a substantial surplus of certain types of machine tools, and these are, generally speaking, of the types found in the smaller shops. The machine tools of which there is an acute shortage are of types found only in the larger shops.

AIDS TO NAVIGATION

Mr. HANSON (Skeena):

1. What was the cost of aids to navigation (lighthouse service) for 1941, (a) Atlantic coast, (b) Pacific coast, (c) inland?

2. What was the total cost?

Mr. MICHAUD:

1. Cost of aids to navigation (lighthouse service), including operation of dominion steamers for same for the fiscal year 1940-41: (a) Atlantic coast, $1,143,962.10; (b) Pacific coast, $387,528.53; (c) Inland waters, $1,379,344.22.

2. Total cost, $2,910,834.85.

PRICE CEILING—FRUIT AND VEGETABLES

Mr. HATFIELD:

1. Are any rebates or other payments in connection with price levels being paid to importers of orange juice, oranges, bananas, lettuce, and celery?

2. If so, what amounts have been paid to date?

Mr. ILSLEY:

1. Under the import policy of the wartime prices and trade board orange juice is eligible for subsidy, but oranges, bananas, lettuce and celery are not subject to the price ceiling and consequently do not qualify for subsidy.

2. None.

ANTI-TANK SHELLS

Mr. ROY:

1. Were any anti-tank shells No. 1, 1956, B.S., shipped as scrap from St. Paul l'Ermite or Sorel, in the province of Quebec?

2. If so, (a) for what reason was this ammunition rejected, (b) where was it manufactured, (c) was it made under contract, and by whom, (d) what was the quantity and total cost, (e) who is responsible for the defective nature of such ammunition?

Mr. HOWE:

1. No.

2. Answered by 1.

*SHIPBUILDING

Mr. BLACK (Cumberland):

1. What is the number, the total tonnage and the estimated cost of all ships ordered built by the government of Canada or by any other government to be built in Canada of 100 tons capacity or more for commercial purposes, since September 10, 1939, in each of the following provinces, (1) Nova Scotia, (2) New Brunswick, (3) Prince Edward Island, (4) Quebec, (5) Ontario, (6) British Columbia?

2. What is the number and the total tonnage of all ships launched in each province to March 14, 1942?

Mr. HOWE: This question asks for total production in a certain line of war effort. I have no objection personally to giving the information, but we have been asked specifically by the British government, and an agreement has been entered into on the part of the British government, the United States government and the government of Canada, not to give total production figures of war materials. I notice that in the discussion last evening, the hon. member for Vancouver East (Mr. MacInnis) raised the point, and I must

say the same to him. He stated that figures were given in periodicals. We cannot help that.

Mr. MacINNIS: Where did they get the information?

Mr. HOWE: They can probably collect it from the shipyards. It is not hard to get. But publishing unofficial information is different from giving out official information; at least that is the view of the allied governments, and until the allied governments change their position in that regard I do not intend to give figures on total production.

*BARRAGE BALLOONS

Mr. FRASER (Peterborough West):

1. Has a committee been set up to arrange for barrage balloon protection for cities on Canada's coasts?

2. Have we any barrage balloons in Canada?

Mr. POWER: I would ask the hon. member to withdraw this question as not being in the public interest.

Mr. FRASER (Peterborough West): Would the minister give the information privately?

Mr. POWER: Yes.

Mr. SPEAKER: Dropped.

GOVERNMENT FILM COMMISSIONER

Mr. McGREGOR:

1. What is the total amount that has been paid to John Grierson in salary, fees and/or allowances as government film commissioner?

2. What is the total amount of money that has been paid to John Grierson since he has been employed by the government in any capacity whatsoever, including travelling expenses?

Mr. THORSON:

1.

Fiscal year	Salary
1939-40	$ 1,987 10
1940-41	5,703 43
1941-42	6,899 99
Total	$14,590 52

No fees or allowances.

2.

Fiscal year	Fee	Salary	Travelling expenses
1938-39	$3,650	None	None
1939-40	None	$ 1,987 10	$ 612 34
1940-41	"	5,703 43	1,105 99
1941-42	"	6,899 99	5,948 58
	$3,650	$14,590 52	$7,666 91

Total amount paid—$25,907.43.

[Mr. Howe.]

*PRICES OF HOGS

Mr. SENN:

1. Did the dominion government take action at any time during 1941 to stabilize the price of hogs by means of bonus or subsidy?

2. If so, by how much per hog?

3. What was the total amount expended in this manner?

Mr. GARDINER:

1. Yes, through subsidizing the price of export bacon to bring hog prices in Canada more in line with a rising United States hog market and thereby retain hogs in Canada for processing and export to Great Britain.

2. By $2.50 per one hundred pounds of export bacon in three successive advances:

June 2 by 75 cents per 100 pounds
June 24 by 75 cents per 100 pounds
July 23 by $1 per 100 pounds.

3. $2,281,264.99.

*WESTERN WHEAT ACREAGE

Mr. PURDY:

What is the estimated percentage of wheat acreage under crop in 1941 in the three western provinces represented by self-contained farm units of 320 acres or less?

Mr. MacKINNON (Edmonton West): On March 16 I tabled an answer to a similar question. At that time I said that information was not available at present in view of the fact that the compilation of agricultural statistics as taken in the 1941 census had not been sufficiently advanced to afford the information. On receipt of the second question, which asks for an estimate rather than a definite figure, I consulted the officials of the dominion bureau of statistics, and they advised me that any estimate they might give at the present time would be purely a guess. I regret I cannot give the information.

QUESTIONS PASSED AS ORDERS FOR RETURNS

UNEMPLOYMENT INSURANCE—PERSONS HAVING SERVED IN H.M. FORCES

Mr. DIEFENBAKER:

1. Since the inception of the Unemployment Insurance Act how many persons have received payments thereunder?

2. What are the numbers and occupations by provinces of such persons?

3. How many of the said recipients have been on service in His Majesty's forces during the present war and of those how many are in receipt of payment under the said act as of this date?

Mr. McLARTY: Return tabled.

BRITISH AEROPLANE ENGINES LIMITED

Mr. CASTLEDEN:

1. What amount of money was paid to British Aeroplane Engines Limited of Montreal, Quebec, during 1941?

2. What was the average cost per engine for the overhauling work done by this company?

3. Were the Royal Canadian Air Force repair depots in Ontario and Quebec overhauling similar engines during 1941?

IRON FROM CANADIAN ORES

Mr. CASTLEDEN:

What steps have been taken to develop or increase the supplies of iron from Canadian ore deposits?

COAL FOR ONTARIO TRAINING CAMPS

Mr. FRASER (Peterborough West):

1. What companies have the contract to supply coal to Camp Borden, Trenton, Petawawa and each of the training camps in Ontario?

2. How much coal is supplied to each camp?

3. What grade of coal is supplied to each camp?

4. What is the price of the coal delivered to each camp?

Mr. HOWE: Return tabled.

CANADIAN FORCES—SALVATION ARMY

Mr. FRASER (Peterborough West):

How many Salvation Army men are enlisted in (a) the army, (b) the air force, (c) the navy?

Mr. RALSTON: This had better be made an order for return. I wish to correct a statement I made the other day. I find that we have, as far as the army is concerned, a record showing, generally speaking, those men who are members of the Salvation Army who have enlisted in the forces.

AIR RAID PRECAUTIONS—BRITISH COLUMBIA

Mr. CRUICKSHANK:

1. Who is in charge of air raid precaution work in British Columbia?

2. What authority has he?

3. Has any air raid precaution equipment been supplied by the dominion government to British Columbia and if so, what, and how much?

4. Has any money been granted British Columbia for air raid precaution work, and if so, how much?

5. Who allots this money within the province of British Columbia?

Mr. THORSON: Return tabled.

WAR OF 1914-18—REPARATIONS

Mr. HANSELL:

1. What reparations, in terms of money, were imposed upon Germany, as a result of the last war?

2. What reparations were imposed upon the allies of Germany, as a result of the last war?

3. What was Canada's share of these reparations?

4. How much did Canada receive from Germany in payment of these reparations?

5. How was this paid, in goods, gold or securities?

6. How was this money disbursed?

7. How mu h of this was specifically earmarked as recompense to Canadian war prisoners in Germany?

JAPANESE NATIONALS—PERMITS FOR EXPLOSIVES

Mr. CRUICKSHANK:

1. Were any permits for powder or other explosives issued to Japanese since December 7, 1941?

2. If so, how many and on what authority?

3. Have such licences been cancelled? If so, when?

4. Have any Japanese or partially owned Japanese logging or lumber companies been given licences for powder magazines since December 7, 1941?

5. If so, on what authority?

6. Have such licences been cancelled? If so, when?

7. Have all such explosives been confiscated?

Mr. CRERAR: Return tabled.

LIFE INSURANCE—SALE OF PENSION BONDS TO SOLDIERS

Mr. COLDWELL:

1. Has the government authorized life insurance companies to canvass men in the armed forces for policies or so-called pension bonds, etc?

2. If so, has the government examined the provisions and alleged benefits payable under such policies or bonds?

3. Has the government authorized the payment of premiums on such policies or bonds, by the assignment of pay of men in the Canadian Active Service Force?

4. If so, will the government authorize a careful inquiry to be made into the terms and conditions of these contracts, including commissions paid to agents, cash surrender values in one-year, three-year, five-year and ten-year periods, comparing these amounts with total premiums paid?

EXPORT OF CATTLE TO THE UNITED STATES

Mr. LEADER:

1. How many cattle have been exported to the United States since the United States-Canada agreement was consummated in 1936?

2. What number for each category and the number shipped in each quarter of the years from 1936 to 1941 inclusive?

Mr. MacKINNON (Edmonton West): Return tabled.

REQUISITIONING OF SHIPS ENGAGED IN GRAIN TRADE

Mr. LEADER:

1. How many ships formerly employed in the grain trade have been requisitioned by the government since the war began?
2. What are the names of the firms or individuals from whom these ships were requisitioned, and what number from each firm or individual?
3. Have these ships been purchased, and at what price?
4. If not, what are the terms of rental or lease?
5. Were any of these ships reconditioned or repaired by the government?
6. If so, at what total cost?

MOTOR TRANSPORT OF GOODS IN BOND THROUGH CANADIAN TERRITORY

Mr. ROSS (St. Paul's):

1. Has the government of the United States or any official thereof requested either formally or informally that permission be granted by the Canadian government for United States motor transport carriers to operate in transit in bond between United States points through Canadian territory?
2. If so, what was the nature of such request?
3. Has any recommendation been made by any joint Canadian-United States committee with reference to this question?
4. If so, what is the nature of such recommendation?
5. Has this question been considered by a subcommittee of the cabinet?
6. If so, when, and who are the members of such committee?
7. Has any report been made by such subcommittee and what is the nature of the report?

MOTIONS FOR PAPERS

COMMODITY PRICES STABILIZATION CORPORATION

Mr. CHURCH:

For a return showing—1. A list of the price ceiling subsidies issued, the estimated amount of same and on what articles, or in what trade and commerce.
2. A list of the members of the Commodity Prices Stabilization Corporation, a list of their chief officers, servants and agents, showing where they are located, the number thereof, together with their salaries and other allowances.
3. Estimated cost of one year of maintaining the ceiling prices staff herein, and the aggregate number of officials and total payroll.
4. The estimated cost per annum of the operation of this corporation.
5. The walks of business life that are not yet supervised or directed by any departments of state.
6. What training the members of this corporation and their chief officials have had in actual trade or commerce, or in a competitive business.
7. What minister of the crown is responsible to parliament for the work of this corporation.

Mr. ILSLEY: I am willing to have this motion passed with the qualifications which I stated the other day; but if the hon. member would like to let it stand so that I can make a statement to the house as to the principles upon which information should be given or withheld regarding price ceiling subsidies, I am willing to take that course. The question of principle was raised last night sharply by the hon. member for Vancouver East (Mr. MacInnis) to the effect that the amounts of these individual payments should be given to the House of Commons. Generally speaking, the objection I have to doing that is that the principles upon which subsidies are made public, and the giving of the amounts that are paid to individual companies, would give competitors a fairly precise knowledge of the volume and kind of business which their rivals were doing.

There may be other objections as well. Perhaps that is not a sufficient objection, but I should like to get my position formulated, whatever position is eventually adopted by the house, and give my reasons to the house, because this is a very important matter. These subsidies will be large in amount; they are virtually consumers' subsidies, and I do not want to take a course which will be at variance with the proper practice or in conflict with the rights of the House of Commons. On the other hand I certainly do not want to take a course which will prejudice the successful operation of this subsidy system. If the mover of this motion would like to have it go through with the qualifications and exceptions mentioned the other day, I am content. If on the other hand he would like to have it stand until I have opportunity of giving further consideration to the principles that should apply, and of making a statement of those principles to the house, I am content to have it stand.

Mr. HANSON (York-Sunbury): Would the minister be able to make his statement prior to the Easter recess?

Mr. ILSLEY: I do not know about that.

Mr. HANSON (York-Sunbury): Because this is now becoming a very important matter. We are even subsidizing the packers of Canada on the beef we eat in the restaurant, which is going pretty far. I think the public need this information. I should like to have it as soon as possible, because this thing is getting out of hand.

Mr. ILSLEY: I would point out that if this motion passes to-day without any qualification, the information will not be available until after the Easter recess.

Mr. HANSON (York-Sunbury): But we would have a start on it.

Mr. ILSLEY: I should like to give that a little consideration, because it is most important to get this on a proper basis.

Mr. CHURCH: May I suggest that I be allowed to see the minister and have the motion redrafted? I do not object to part 6 being struck out, but if the minister is going to make a statement I might have to discuss it with the minister and the leader of the opposition.

Mr. ILSLEY: That is agreeable to me.

Motion stands.

TRANSPORT OF GOODS IN BOND THROUGH CANADIAN TERRITORY

Mr. ROSS (St. Paul's):

For a copy of all letters, telegrams, reports, resolutions, memoranda, or any other documents:

(1) Exchanged between the government of Ontario or any official thereof and any minister or official of the dominion government;

(2) Exchanged between the Minister of National Revenue, the Commissioner of Customs, the Minister of Transport, the Deputy Minister of Transport, the Minister of Munitions and Supply, the Deputy Minister of Munitions and Supply or any other official of these departments and the Railway Association of Canada, the Canadian Pacific Railway, the Canadian National Railways, the Michigan Central Railway, the Toronto-Hamilton and Buffalo Railway, the Wabash Railways or the Pere Marquette Railroad or any official of any of these companies;

(3) Exchanged between any minister or official of the government and any municipal council in the province of Ontario or official thereof with reference to any request of International Highway Forwarders Limited or any motor transport carriers in the United States for permission to operate any transport in bond between United States points through Canadian territory.

Mr. CRERAR: May I direct the attention of the hon. member to the wording of the motion? As I read it, parts 1 and 2 would cover almost everything that has happened. So far as part 2 is concerned, it does not relate to any particular matter, and the same is true of part 1. Part 3 is more specific. If the information asked for in parts 1 and 2 relates to the information asked for in part 3, then there is no objection to bringing it down. Perhaps that is what the hon. member had in mind.

Mr. HANSON (York-Sunbury): I think that would be satisfactory. The motion is rather badly drafted; I do not know who is responsible for it. I suggest that the interpretation which the minister seeks to place upon it is correct, and if the return could be brought down on that understanding it would be all right.

Mr. CRERAR: With that understanding there is no objection to its passing.

Motion as amended agreed to.

CANADIAN FORCES—SERVICE OUTSIDE CANADA—CASUALTY LISTS

Mr. ROSS (St. Paul's):

For a return showing the names and addresses of all persons who were serving outside of Canada who have appeared on the casualty lists of (a) the army, (b) the navy, (c) the air force.

Mr. RALSTON: I want to ask my hon. friend if he will omit, unless it is important, the request for the addresses of the casualties. We have on the casualty lists the names and addresses of the next of kin, but to get the addresses of the casualties themselves we would have to go to the attestation papers, and there are about 2,000 of them.

Mr. HANSON (York-Sunbury): The order could be amended to read "names and addresses of the next of kin of all persons..."

Mr. RALSTON: That is quite all right.

Mr. POWER: I might point out to produce this information would take a very long time. I should like to know if any useful purpose is to be served.

Mr. HANSON (York-Sunbury): I think so.

Mr. POWER: Frankly I doubt it so far as the air force is concerned. If the house passes the order I will have to obey it, but I shall do it with considerable reluctance.

Motion as amended agreed to.

WAR RISK INSURANCE

PROVISION FOR COMPENSATION FOR WAR DAMAGE TO PROPERTY

Hon. J. L. ILSLEY (Minister of Finance) 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 for the insurance of property against war risk and for the payment of compensation for war damage out of a special account of the consolidated revenue fund, and to provide further in connection therewith for the employment of such officers, clerks and other employees and agents necessary for the administration 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.

Hon. R. B. HANSON (Leader of the Opposition): This is one of the matters which the minister informed me he would like to have advanced a stage. I assume nothing

further will be done in regard to it until after the Easter recess. But it might be of some interest, having regard to questions asked across the floor, if the minister could make any statement concerning it before the Easter recess.

Mr. ILSLEY: If I can get to the stage at which I can introduce the bill I will introduce it, but if I cannot, then I shall have to make a statement either in this house or afterwards, depending upon the time that I can get.

Mr. D. G. ROSS (St. Paul's): I suggest to the minister that it is desirable that this bill be introduced before the recess. I happen to know that in certain circumstances people are reluctant to ship essential war goods to either coast for export overseas when they cannot obtain war risk insurance. There are people on both coasts, in Halifax and Vancouver, who are vitally interested in a measure of this kind.

Motion agreed to.

POSTAL SERVICE

FREE POSTAGE ON LETTERS FROM SOLDIERS—MONTREAL-QUEBEC AIR MAIL SERVICE

On the orders of the day:

Hon. W. P. MULOCK (Postmaster General): I should like to advise hon. members that steps are being taken to facilitate the exchange of correspondence between soldiers and their homes in Canada at all times. Letters from Canadian troops in England and Newfoundland have been accepted free of postage for some time past, and arrangements have now been completed under which letters posted in Jamaica by Canadian troops stationed there will pass free of postage to their homes in Canada. This concession takes effect on April 1 next.

The regular Jamaican postage will be required on all other items.

I should also like to say to the house, in response to numerous questions that have been asked in regard to the establishment of air mail service between Montreal and Quebec, that the business value of an air mail service between these cities has been carefully investigated, and in the light of the facts disclosed steps are being taken to inaugurate a regular daily-except-Sunday air mail schedule between these two important points on or about April 15 next. The proposed schedule of service will link the city of Quebec with main line air services at Montreal, operating to and from maritime provinces, the Canadian west, and all points in the United States. The postal advantages of this service should prove to be of definite value, especially at this time when speed in the transmission of the written word is of such great importance.

Mr. GILLIS: Is the Postmaster General's department still considering the extension of the air mail service to Cape Breton island?

Mr. MULOCK: The hon. member's representations will be carefully considered. That is a matter of policy about which no doubt the house will be advised in due course.

Mr. GILLIS: It was definitely promised a year ago.

WAR APPROPRIATION

SUPPLEMENTARY PROVISION FOR GRANTING TO HIS MAJESTY AID FOR NATIONAL DEFENCE AND SECURITY

The house resumed from Tuesday, March 24, consideration of the motion of Mr. Ilsley that the house go into committee to consider a resolution to provide that sums not exceeding $135,000,000 be granted to his majesty for national defence and security.

Mr. A. M. NICHOLSON (Mackenzie): Mr. Speaker, before eleven o'clock last evening I was discussing a question which would have been left until after the Easter recess had it not been for the fact that unless something is done immediately in this connection the effect upon our production programme will be very serious indeed. I am referring, of course, to the question of wartime housing. Hon. members no doubt are aware of the fact that during the past year we have had two departments engaged in trying to provide more adequate housing in key centres in Canada. I refer to the activities of the national housing administration and to Wartime Housing Limited.

Last year I expressed the opinion that the entire programme of providing housing in war time should have been administered by the government owned and controlled agency, the national housing administration. The government, however, decided otherwise; and a number of dollar a year men were entrusted with the responsibility of administering Wartime Housing Limited. I do not plan to discuss their activities at this time, but after careful consideration and comparison of costs it would appear to me that we are getting permanent construction under national housing for less than we are getting temporary housing under Wartime Housing Limited. Last night I referred to a return which was tabled some time ago, giving the cost of war-time houses built in North Vancouver. It showed a striking discrepancy between the costs of

war-time houses and those built under natonal housing in that city. I have before me a return brought down on February 3 of this year, giving the average costs of these temporary houses in various cities, as follows:

Fort William	$2,860
Halifax	3,742
Hamilton	2,818
Welland	2,886
Peterborough	3,018
Wrightville	3,379

Let me remind hon. members that these houses are of temporary construction, without basements and without furnaces. The fuel is stored in a box, attached to the back of the house, capable of holding half a ton of coal. Some of the occupants of these houses in Hamilton spoke of the difficulties they experienced in securing fuel deliveries, since the box has to be empty before half a ton of coal can be put in, and there is an extra charge of fifty cents for making these small deliveries. In view of the fact that permanent houses have been built in many of these centres at much lower cost it does seem to me that it would be a great mistake to terminate the activities of the national housing administration. I understand that since the commencement of the war that agency has assisted in the construction of over 12,854 houses, at a cost to the treasury of Canada of approximately $9,700,000. I should like hon. members to remember these figures. According to the information given by the Minister of Munitions and Supply, we are committed to a spending programme of over $20,000,000 for something like six thousand houses, under the wartime housing programme. I know the answer will be given that these houses have to be built in a hurry, and that necessarily the cost is higher.

Mr. HOWE: Just to keep the record straight, I should say the fact that they are built in a hurry has nothing to do with it, but I would point out that under the housing act the services are furnished by the city, and a tax is put on the property to cover the cost of those services. On the other hand Wartime Housing build their own services, the cost of which is distributed among the houses, and there is no tax against the buildings of Wartime Housing.

Mr. NICHOLSON: I am aware of that, but still it does not explain the cost of $3,379 for houses of this type across the river in Hull. I would urge hon. members to go and see those houses, and then draw their own conclusions as to whether or not the taxpayers of Canada have received good value for the money that has been spent. What the minister says is true with regard to arrangements under the national housing administration; but in Canada there are a great many cities which would be quite prepared to encourage the administration to undertake a building programme. Of course it must be remembered also that the figures I gave represented only the government's investment, not the total cost of those houses. The average cost of the permanent houses is given as $3,250. I think hon. members will agree that if permanent houses can be built for anything like the cost of the temporary houses, we should encourage the construction of permanent dwellings as far as possible at this time.

I realize that the whole question of supplies must be taken into consideration. It is quite conceivable that we may have to use very different methods of construction; that we may have to abandon the installation of bath tubs, and that houses may not be wired for electricity if the shortage of copper becomes more acute. We might even be required to get along without central heating. But I submit that the government should take into consideration the raw materials and manpower that will be available for the construction of permanent houses, so that the promise given by the Minister of Finance (Mr. Ilsley) some time ago that we are not going to be governed by dollars and cents but that whatever is physically possible will be made financially possible, may be implemented. That policy should be carried out in connection with housing. It will be a great calamity if the national housing administration is compelled to fold up, with the personnel obliged to go into private industry or leave the country, so that the only building activity will be carried on by Wartime Housing Limited.

I should like to remind hon. members that it is estimated that ninety per cent of the 12,000 houses which have been built since the beginning of the war by the national housing administration have been constructed in centres where we consider there is a definite war-time housing shortage. According to the order in council which was passed when Wartime Housing was established, the places in which construction should be carried on were centres where the production of munitions of war and supplies, or defence projects, would be affected by the lack of housing. There are a great many places in Canada where training centres and military establishments are located to which men of the armed forces bring their families, and if it is physically possible we should be prepared to provide them with housing accommodation. I make this final plea to the government that it give the most careful consideration to providing an appropriation for national housing and that national housing be given consideration in the matter

of priorities. It would be unfortunate if all the bathtubs, heating appliances and wiring were directed exclusively into wartime housing so that the national housing administration would find it impossible to carry on. I hope the government will give careful consideration to the argument I have presented, so that our munitions production may not be seriously handicapped in the months to come because of adequate housing not being available.

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, I had not intended to participate in this debate until the hon. member for Vancouver East (Mr. MacInnis) last evening brought out a circumstance which, I think, demands reiteration of the rights of parliament. Some time ago an address was delivered in this house by the hon. member for Ontario (Mr. Moore) in reference to the like matter, in which he stressed the situation to-day prevailing in the parliament generally speaking, indicated the trend away from democratic practices. I find it hard to understand why so important a measure as the war appropriation should have been delayed in being brought down to the house until a day or so before the Easter recess. This is not the first time this has occurred. This is one measure that gives us as members an opportunity of placing our viewpoint before the house and the country and of obtaining information with regard to the position of our war effort. I cannot understand why a measure such as this should not have been introduced earlier in the session. Various explanations may be given, but the fact remains that in the last two or three days before the Easter recess we are asked to deal with an expenditure of many millions of dollars and to vote supply to enable the government to continue during the period of the Easter recess.

Mr. ILSLEY: If the hon. gentleman would permit a question, does he think we should have deferred the discussion on the address and the discussion on the plebiscite until after this discussion was completed?

Mr. HANSON (York-Sunbury): No; but it should have been run on a different basis.

Mr. DIEFENBAKER: What I do think is this, that it is strange that each year and each session millions and millions of dollars of estimates are brought before the house toward the very end of the session without giving the members an opportunity to debate or consider them fully.

Mr. ILSLEY: This is not the end of the session.

Mr. DIEFENBAKER: The same thing happens year after year. That course may have been all right during the routine days of peace; but my submission is that with a war on—I reiterate what I have said before—committees of the private members of this house should be set up along the lines of the committees which the Minister of Pensions and National Health (Mr. Mackenzie) is having set up at the present time, to enable members to recommend to the government the cutting down of unnecessary expenditures because, Mr. Speaker, the thing the government should do to-day—and it would thereby secure the unanimous support of the country is to reduce non-war expenditures to the limit.

Donald Gordon, chairman of the wartime prices and trade board, speaking in the city of Montreal, outlined the position of Canada to-day and emphasized the necessity for action. He stressed the terrible urgency of the situation to-day and said:

> Selfish or private interests must be ruled out completely. The competitive system must go, to be replaced with one which is based entirely upon the criterion of maximum production, with the most efficient use of labour, machinery and materials to operate steadily without cease except for necessary rest or maintenance.

Then he used these words:

> Regimentation and more regimentation was coming for Canada, he continued, but "let us develop it without the ugly meaning which it has been given in gestapo land and by the Japanese imitators."

He points out that regimentation is coming in ever-increasing measure. I realize, as all of us must, that during a period of war it is necessary that the freedoms, which are ordinarily accepted as inherent in democracy be controlled in the greater interest of the safety of the state—the freedom of the press, freedom of speech, freedom of association and the like. As Lord Baldwin said:

> The price of liberty is eternal vigilance, eternal knowledge, eternal sympathy and eternal understanding.

In Great Britain the rights of parliament have been restricted as have the rights of individuals, the rights of the whole people throughout the nation; but, Mr. Speaker, they are doing it with the consent and under the control of parliament, and wherever there is an invasion of the rights normally enjoyed by the citizens of Great Britain the matter first comes before parliament and is debated. I point this out because the hon. member for Vancouver East last evening in his address showed that information, whatever its source may be, which is not being furnished to parliament, is being or has been furnished to private corporations. That is a flouting of the rights of the members of this house, but it is what has been going on in ever-increasing

measure ever since the war began. I point out first the fact that until recently it was impossible for the members of any party other than the government party to go on the national radio network; yet day after day members of the government and members of its various boards are making speeches, many of them tinged by political considerations. It is through the instrumentality of the radio—and it is at least one of the main methods—that public opinion can be created to-day. The other method is through the press, and the government is trying to control the press. Prosecutions are taking place from time to time; and while up to date none of them has been successful, the fact remains that the taking of the prosecution, unjustified though it was proven subsequently by the finding of the court, has a tendency to restrict the freedom of the press.

I am not going into any detail, but I would point out the tendency on the part of this government to do that which has been condemned by the Prime Minister (Mr. Mackenzie King) over a period of years. I refer to the almost universal ruling by decree, by order in council. This has been so to such an extent that in May, 1941, the Prime Minister stated that statutes had been changed or suspended in their operations since the outbreak of the war, but that the government had no record of the statutes that had been so changed. So general has this trend become that statutes passed by this parliament, such as the War Exchange Conservation Act and the excess profits tax, now allow the governor in council to discriminate in favour of one individual as against another. In other words, the rule of law that provides for equality before the law and allows each and every citizen of this country an opportunity to take his case to establish that equality before the courts is denied, when in statutes we allow the government to suspend or amend them by order in council.

If we as a parliament continue to receive the answers that we have received during the last few days—this practice is ever-widening in its scope—we shall find ourselves, unless we protest, where the government will proceed to say to us, regardless of what the matter is which we ask about, that it is not in the public interest that information should be given. If our right to secure information is denied, we are meeting here as a parliament for one purpose only, to vote supply. Other than that there would be very little justification for our being here. Everything that we pass by way of law could be passed by the instrumentality of orders in council, and even the few bills that do come before parliament appear to be merely fillers in between votes of supply and supply.

From time to time the Minister of Munitions and Supply (Mr. Howe) has replied to questions about production in a way that I suggest is not considerate of the rights of parliament. It would appear that the answers were prepared by a bureaucracy, by the rule of desk, instead of by a responsible minister answerable to parliament. On February 6 I asked how many licences had been granted for the erection of buildings other than those required for war industry since construction control had been adopted. In other words, I wanted to find out whether, during a time when all materials were required for war purposes, certain materials were being allocated for civilian or domestic purposes. The answer I received is a revelation of the attitude of certain bureaucrats to this parliament, the representatives of the people. The answer was as follows:

> There have been issued up to February 5, 1942, a total of 3,150 licences for the erection of buildings. Records covering these do not differentiate between war and non-war industries. A clear line of demarcation is not possible.

That means one of two things. Either the answer is evasive to conceal that permits are being given for non-essential purposes, or permits are being issued by the board in charge without regard to whether or not they are for war purposes.

I would direct attention to the answer given to-day by the Minister of Munitions and Supply to the effect that the British government does not want information given out. I realize that in connection with particulars of quantities and details of that kind, it might be dangerous to give out information—not one of us wants any such information. In a recent speech the minister said that we now can equip a division in six weeks, but when we want to cross-examine him and find out the production in order to ascertain whether that is a statement of fact or merely a statement to make us all feel good, we receive the answer that it would not be in the public interest to give the information.

True, it would not be in the public interest to give out information that might be helpful to the enemy, but I think that is an excuse which is being used by this government to an ever-increasing extent as a latch-key to shut the door against information. That is the attitude they are taking. We want information; we want particulars. If the particulars and information cannot be given to us in the house, then let it be given in a secret session. We are asked to look into the expenditures of

millions of dollars, and yet no information is given to us except in general terms. We are asked to vote millions and billions of dollars when we realize, as do the people of Canada, that it is not expenditures of themselves that will preserve freedom; it is the result that follows that will achieve its preservation.

What is being done with the money? Only a few short months ago the system that was followed previously of issuing monthly lists of contracts awarded was done away with. To-day no member of this house, unless he is a member of the government, has any idea of what contracts have been let since the issue of this information was discontinued. What expenditures have been made? Who have been the recipients of contracts in the different provinces? All we know is that money has been spent and no information has been given as to the nature and the particulars thereof or the results. The people are willing to sacrifice, but they want to know what use is being made of the money being expended.

Within the last few days a number of articles have appeared in the western press by Mr. Dexter, one of which was referred to the other evening by the hon. member for Vancouver South (Mr. Green). In one of these articles Mr. Dexter discussed the whole production situation. We have had no information on this. No information is being brought before parliament. No information is being made available to parliament. This series of articles points out that we have not yet achieved all-out production in Canada, that we have not to-day a nearly all-out production. All we have in fact is promises of future action, of what will happen in 1943. This parliament representing the people of Canada is concerned with what is going to happen in 1942 and have the right to know the present position.

I think we have a right to know where we are going and what is the plan in reference to production. Can time run forever in our favour? The record in the far east in the last four or five months has been terrible in its implications. Defeats, glorious defeats; retreats, glorious retreats, all because of the fact that there has been a need, not of manpower with courage but of sufficient manpower; a need, not of proper machinery but of sufficient amounts of proper machinery.

To-day in this country there should be a stop to the construction of buildings for civilian purposes. It is not being stopped: the answer to which I referred a while ago shows this. Is it not about time that the increase of man-power in industry due to enlarged demands for civilian requirements should be restricted? Since the beginning of this war there has been an additional employment of one million men, of whom the increased demand for consumer goods accounts for 339,000. Why has this flow of consumer goods production not been stopped? The people are willing to accept a reduced standard of living; yet to-day we have more men producing goods for civilian and domestic uses than in 1939, and I would point out that one of the orders in council which the Prime Minister placed before parliament yesterday starts with the admission that there is a shortage of man-power in the country for war and industrial purposes. I shall allude to that again in a moment. In the meanwhile let us see what this increased employment has, in large measure, done. Here are the comparative index figures showing the increases:

Trade	September, 1939	December, 1941
Furniture	84·2	118·4
Musical instruments	59·9	86·1
Beverages	181·8	235·2
Heating appliances	135·1	163·8
Street railways and cartage	130·6	149·5
Hotels and restaurants	151·7	162·7
Retail trade	139·0	177·8
Wholesale trade	124·1	138·5

There must be a reduction in civilian demand, and the services of many men who to-day are engaged in industries of this kind must be diverted to war purposes.

I suggested a while ago that we reduce this year to the very limit both public and domestic expenditures for the ordinary ways of life. It can be done. Place our estimates before members of this parliament who are business men; give them the authority of the government to pare down and reduce, and they will do it. I notice that Saskatchewan, which in this respect is no different from any other province, is expending to-day several million dollars more than ever before in its history, and twice the amount expended twelve years ago, although it has no relief bill to speak of. To-day too many of us are trying to take advantage of the war situation to ask the government for this and that. I suggest that a message be given by the Prime Minister to the people of Canada, who are willing to listen to it, to desist from being what I choose to call "gimmes" until the war is over: "'Gimme' appropriations for my province or my city or my constituency, for industry; 'gimme' patronage, 'gimme' shorter hours, higher profits, more business, and higher prices." Away with that for the period of the war. Once you have established, as regards agriculture as with all other war industries, a fair and reasonable return, that can be done.

We remember what happened two years ago, prior to the fall of France. We little thought then what would occur in the next two or three months. "France had her 'gimmes' then. They were fighting among themselves; they were asking for appropriations; they were doing all the things which we are doing all over this dominion to-day. They did it until the French army was forced to retreat toward Paris. Then, everybody got to work on production. But the determination to work and to do was too late. To-day France has her 'gimmes' too, but the 'gimme' to-day is not the 'gimme' of two years ago. To-day it is 'gimme' my lost liberty; 'gimme' even death rather than what I am passing through."

The challenge comes to us to-day. It is a challenge to this parliament, the institution in which resides the hope, the aspiration and the determination of the Canadian people. I speak without sentimentalism; I sincerely believe what I say. The Canadian people are asking us to give them that leadership without which they can do nothing; they want us to do our part regardless of any lesser considerations.

Last week I had the honour to be one of a party which went to Hamilton, upon the invitation of the hon. member for Hamilton East (Mr. Ross). We had an opportunity of seeing something of the munitions factories, those great industries which have sprung up or been greatly enlarged during the past two years. Having been there a year ago to a day, I could realize something of the development which has taken place there, as I did in certain other industrial centres which I have had an opportunity of visiting recently. But I would be remiss in my duty as a member if I did not say that, while great advances have been made, they are far below what they should be having regard to the fact that almost two years have gone since their establishment.

I believe that a committee of this parliament should be set up to look into production. There are among our members manufacturers and business men who would willingly serve on a committee which was empowered to look into the whole situation, go to the root of to-day's problems, and offer solutions or suggestions. I believe that the Minister of Munitions and Supply has done a very great work, but he has not been able to coordinate all the various production agencies under his control. It is too large a job for a man to come before parliament as a minister and at the same time put into effect a complete organization and correlation of the war industry of this dominion. The time has come when this government, instead of having different heads of the various departments of munitions production, should appoint one supreme head, a czar if you will, a man who will be able to coordinate production.

I have in mind production in one particular line, wherein I think the people should know what the turn-out is and what deliveries overseas have been. I realize, however, that to furnish that information by making a statement in parliament might be of service to the enemy. The people do not believe the government in everything it says. The government issues statements that all is well, everything is fine, no major mistakes are being made—only one minister has ever risen in his place in this chamber and admitted a mistake—and the people, looking at the situation in the east, realizing that Japan is at our gates in the west and that submarines are attacking on the east coast, are asking whether the information they have received has been unreal. These things were believed to be impossible a few months ago. The time has come for the Prime Minister, with the tremendous influence and prestige which his position commands, and which his service in public life demands, to tell the people of Canada the true story, what it is we have to face, what sacrifices have to be made, in a particular way and not by generalizations promising total war—often generalizations with regard to future action.

In the United States a committee of the senate was set up one year ago. The other place, so far as parliament is concerned, is not being used. Many of these problems could be submitted to that house and an opportunity given to the people of Canada to take advantage of their experience, business acumen and ability. The United States' senate set up a committee for the purpose of looking into the whole position of production. They were not satisfied that everything was being done. They had been told the same stories that we in Canada had been told. The committee set up was not partisan; it was composed of Democrats and Republicans, and I believe there was a farm labour representative and functioned under the chairmanship of Senator Truman. It met off and on for the period of a year, and its recommendations changed the picture in regard to production in the United States. It placed the United States in the position where the United States is producing 2,000 war planes a month, a little less than the axis is producing to-day.

The same committee brought out the fact, in regard to production of certain lines, that though there were potential possibilities in the

united nations of a three to one advantage over the axis nations, that is not so to-day; to-day the percentage is the other way about. The advantage is a potential situation. For this reason that committee considered whether it could mobilize the industry of the United States. It found, first, that too many civilian requirements were being manufactured at the present time. The report pointed out that in 1941 the automobile output was higher than in any year except 1929. Second, it found that the production programme was behind schedule because of departmental red tape and lack of organization, and they recommended that the dollar-a-year men should be given an opportunity to dissociate themselves from the industries from which they had been loaned. It was pointed out that in the United States there were 255 dollar-a-year men and 631 who worked without compensation. That committee, composed of business men, came to the conclusion that dollar-a-year men from industry, however patriotic and desirous to serve they might be, might be considered still to have the business point of view of the organizations to which they originally belonged. It showed that comparing the war effort of the United States now to the last war effort was aimless and purposeless. I believe the fact to be that the expenditure of $22 to-day gets the same results as the expendture of $1 in the great war.

There was one piece of information which I do not think has ever been given to this parliament. I will ask the minister to tell me whether it is true that the Reconstruction Finance Corporation of the United States advanced $50,000,000 to the aluminum industry in Canada in order to permit of the development of that industry here, repayment of the amount to be made as deliveries occur. That is what the United States *News* of December 5, 1941 says—that there was that advance given the Canadian aluminum industry in order to build up the necessary industry in this dominion.

It was found, too, that as late as January, 1942, 75 per cent of the industry of the United States was still producing civilian needs, 50 per cent in Great Britain and 40 per cent in Germany. The committee pointed out that there was only one way in which there could be a reduction in civilian demand and that was for the government to act promptly and ruthlessly and place in charge a man who had power to act regardless of any influences or any consideration.

I have already suggested that we should set up a committee with powers similar to those of the United States committee, not for the purpose of criticizing the government—I think the government is too prone to think that every suggestion from this side of the house is made from political motives, but to help in the war effort. I offer that suggestion to the government, but I say this: Do not set up a committee like the war expenditures committee which is overloaded with government members. Give the opposition equality. Set up a committee reasonably equal, the chairman and vice-chairman from the government, to assure a majority, and let the proceedings be in the open. As far as the war expenditures committee is concerned, while I was not here all summer, I know of the results achieved. We sat on that committee and everyone was desirous of doing something; but measured in actual performance, if honestly admitted, we did little or nothing—and I am rather overstating the case when I say "little". The committee met behind closed doors. The information that was given to us should, I submit, be known to the people of Canada. There was no question of production or of details of that kind. If you want to ensure honest production on the part of all in production in Canada, you must have them realize—certainly some of them—that what they do is subject to investigation by parliament, or subject to being brought to the light of day.

When that committee is set up again—and I am speaking only for myself—I would say if it is going into details in regard to contracts, it should be open to the public, so that the information shall become public, for what information we did get is hidden and concealed. Such a committee could do a great deal of work. It cannot perform an impossible task. There are those who say that if we set up that committee we should be able to investigate all contracts. My answer is that no private member of the house knows what contracts have been awarded since August; but we do know that if the committee dealt only with current contracts that were being awarded when we were sitting, 1,500 a week, we would have been able to devote only eight seconds to each contract—and there were eighteen or nineteen lawyers out of twenty-three members of the committee. I need say no more as to the possibility of investigating all contracts.

I pass on to one other matter before I conclude, and will make a passing reference to the orders in council that were tabled yesterday regarding man-power. It should be noted that what opposition members have been saying for the last year is now admitted by the government, in the very first paragraph of P.C. 2250:

Whereas the Minister of National War Services and the Acting Minister of Labour report that there is a growing scarcity of men

available for service in His Majesty's armed forces and for the employment in the war industries. . . .

All that these orders in council do is to set up a scheme for service in Canada, far removed from the sanguine hopes expressed by the Minister of National Defence for Air (Mr. Power) or by the Minister of Labour (Mr. Mitchell) in the advance statements that both of them made. Why was the raising of the age limit stopped at thirty? With the threat by the Japanese to the Aleutian islands, only seven hundred miles from their nearest naval base, why the thirty-year age limit when there is an admitted shortage of men to-day?

I suggest that the men who have already been called up and medically examined and rejected should be rechecked. I realize that there may be some cases where advantage was taken by a prospective recruit of the opportunity of the examination by the physician of his choice—they were very few in number—who granted a lower category than the person properly belonged in. I mention Saskatchewan in that connection, and according to a member of the board there, there were three rechecks, and in one it was found that out of nineteen turned down seven, on recheck, passed as A-1.

The whole foundation of these orders in council seems to be based on what has been found insufficient in the United States, namely that only the age limits should be chosen in which men could be expected to continue in military service for ten years. The United States started off in that way, taking only the highest physical class, and those who normally could be expected to continue in service for ten years. But to-day it has been found necessary to extend the age limits. If we are to have men in Canada for Canadian defence, why not train more than those of ages up to thirty? Even all of them are not subject to call, because the choice is going to be made by lot. It strikes me as passing strange that, facing the spring offensive of 1942, the government is not able to tell us what scheme it has for choosing the men who will be taken into the non-active force. In the rehabilitation of those men who have been turned down, the government is taking a step in the right direction, but that rehabilitation should cover not only those who might be made A-1 by slight operations and the like, but also those other men of B, C or D categories who might be used in Canada for home defence.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Yesterday as the house was debating the resolution to appoint a committee to deal with matters of reconstruction and reestablishment that may arise at the close of the present war, I debated in my own mind whether or not, for a reason that seemed to me a most important one, I should intervene in that discussion. I did not intervene because I was anxious to see the committee appointed; I was also anxious that no one should have reason to feel I was in any way unsympathetic with the purpose for which it was being appointed. I doubt if too much thought and study can be given to questions of reconstruction as they are likely to arise at the close of the war. But in thinking the matter over I have since regretted that I did not say a word at the time, because of a possible false emphasis that might be given in the public mind from the discussion which took place in the house and from the fact that the resolution was presented from the government side of the house. It is just conceivable that a large part of the public, reading that the House of Commons has appointed a committee to deal with post-war reconstruction, may gather the impression that the government has in its possession information which would lead it to assume that the war may terminate at an early date and that we should be prepared immediately to deal with questions of reconstruction.

One of the reasons why I rise to-day is to say that I would wish emphatically to dispel any possible impression of that kind. One does not like to dwell unduly upon the seriousness of the existing situation, or unnecessarily to alarm the country; but I think it is only right that the people of Canada should understand that at no time since the commencement of the war was the international situation as serious for the free countries of the world at it is at present. Far from seeing ahead a moment at which it may be expected that the war will terminate, I must confess that I am unable to see any time that could be specifically mentioned, and that it would be little short of a miracle if the war were to terminate within what some would describe as a short time. One has only to face the facts as they are known and try to realize their significance to see what a tremendous and terrible course this world will have to run before anything in the nature of reconstruction of an order even such as existed in the past is going to be possible for any country or any group of countries to undertake.

When the war started there was a Europe composed of free nations. To-day the whole of Europe practically has ceased to be free and lies prostrate at the feet of the conqueror, whose country occupies a large part of central Europe. There was at the commencement of this war a great French empire; to-day

there is no France that can call itself its own, and the French empire, as such, has virtually disappeared. So far as it exists, it exists in large part to carry out the wishes of Germany in different parts of the world.

Mr. DOUGLAS (Weyburn): And yet we have the Vichy ambassador here.

Mr. MACKENZIE KING: Well, I will give my friend an answer in regard to that later. When the war commenced all the strategy of the war was planned on the understanding and belief that the close alliance then existing between France and Britain would be maintained throughout. The dispositions of armed forces and of naval forces were made in accordance with a plan of joint cooperation. France being defeated at an early stage of the war has altered all that situation, and altered it very, very much for the worse.

Not only has France ceased to be an ally, but as I have pointed out her possessions in other parts of the world have come to serve the purposes of the enemy rather than the purposes which they would have served under the alliance between those two countries. Indeed, as I have said, there has virtually ceased to be a French empire. There was also at the beginning of the war another empire of considerable importance and significance, the empire which Holland had in the far east. That Dutch empire has been overrun. The Netherlands themselves are overrun by the enemy and their possessions have been taken from them. The United States had its possessions in the far east, and in part those possessions have become the possessions of the enemy. The British empire existed in part as an empire in the far east. To-day part of that empire has been taken by the enemy while other parts of it are threatened as they have never been threatened before. In Africa, where there were large and important French possessions, Britain at the commencement of the war had hoped and expected to find the bases from which operations might take place which would serve effectively to meet any enemy whose forces had to be met on the Atlantic ocean or on the African mainland. There again the enemy has possession in large measure to-day, and one cannot say what the outcome of subsequent conflicts may be. No one can say what the word may be twenty-four hours hence of the increasing gravity of the situation in any part of the world. It is known that Britain has had to move many of her forces from one part of the empire to other parts of the empire and of the world in order to meet the situations that exist there. All along the way there has been to some extent a thinning of the defence forces of the vast British empire.

I mention and bring together these facts, just in the way one would gather them from the press of the day, in order to illustrate how wrong it would be that anyone should get the impression that the government, or this parliament, has in mind the possibility of an early termination of this war. The war has to be won before there can be any thought of reconstruction; and if the winning of the war is to include, as we hope it must, the restoration of freedom to those parts of the world from which freedom has been taken away by aggressor nations, there is yet a vast task that lies ahead of the free nations of the world.

I stress this because I should like to remove altogether any impression that in constituting a committee of this house to study the problems of reconstruction, the government or anyone on this side of the house—or for that matter I hope I may say anyone in this House of Commons—entertains the illusion that at the present time we are anywhere within sight of the termination of the present war, or by any means certain as to its course, at least for the immediate present. I have not any doubt that if this year goes by successfully, as I believe it will, with the increased production of munitions and the increased power that will be brought together from the different united nations, ultimately the free nations will triumph. I believe they will; but before that moment is reached there is going to be a vastly different world from what we have ever known in the past, and, I believe, a world even vastly different from the world as we know it at the moment. That being the case I hope no impression will exist anywhere, either in this house or in this country, that the government entertains other than the most serious views of the very critical situation that exists in the world to-day.

I had another reason for rising this afternoon, Mr. Speaker. The night before last, when the present resolution was introduced, my hon. friend the leader of the opposition (Mr. Hanson) said that he thought the ministry should make some statement with respect to its war policy, particularly in relation to the territorial defence of Canada; the necessity for that defence has manifested itself in larger measure since the outbreak of the war with Japan. The hon. member for Vancouver South (Mr. Green) has spoken particularly of the situation as it has changed since the entry of Japan into the war. Since the opposition have stated their feeling that

this particular resolution should not be allowed to pass until some further statement is made by the ministry, I thought it might facilitate the progress of the debate if I were, on behalf of the government, to make a statement this afternoon. But may I say at once to the hon. member for Lake Centre (Mr. Diefenbaker), who has just spoken, that I do not think the government should be taken to task for having brought down the war appropriation measure, and begun to discuss it immediately before the Easter recess. As a matter of fact, I think, had we brought the measure down at an earlier stage and then attempted to crowd the measure through before the Easter recess, we might have been open to some degree of censure for failing to give the house more time and opportunity for full discussion on the most important measure the government has brought before the house. As matters stand, it seems to me that we have pretty well taken the right ground in the circumstances. We have brought to the attention of the house all the large financial measures of which the house will have to take cognizance during the session. Hon. members are in a position to know the entire programme; and they will have the benefit of the time afforded by the Easter recess to familiarize themselves with the various features of the proposed legislation, and also to consider the points which they think should be further discussed when we reassemble after Easter.

Speaking in the debate on the address, I outlined, I thought very fully, the war policy of the government, going into considerable detail with respect to the armed forces overseas—indeed, all forces on land, in the air and at sea. I outlined the progress that has been made in the production of munitions and supplies, as well as the government's programme with respect to the supply of food. In fact, as I recall it, I covered the entire field fairly comprehensively. I had thought that what was said at that time, and what was subsequently said by my colleagues, might have furnished sufficient information to have justified the passing of these interim supply resolutions without at this time any further detailed discussion. However, the request that the government should, if possible, give members before the Easter recess further information in regard to the development of its war policy is I think a reasonable one, particularly in so far as it relates to the defence of Canada itself, as the need of that defence has become more evident within the recent past. I shall accordingly now make a brief statement to the house of the further progress made by the government in the carrying out of its programme. May I say, however, that I did this in part yesterday when I spoke on the government's policy in respect to national selective service. I also at that time answered some of the questions which had previously been asked and I anticipated others. I hope that with what was said yesterday and what I may now say, hon. members of the house will have a fairly comprehensive understanding in their minds of the programme which the government has under way at this time.

The phenomenal successes of the Japanese in the southwestern Pacific have done more than all the nazi successes in Europe to bring home to the people of Canada the reality of the danger to our own country in the present war. No one should seek to minimize that danger or the new sense of urgency it has brought with it. At the same time, it should not be permitted to destroy a true perspective. In actual geographical distance, in thousands of miles, the Japanese menace is much farther from Canada than the nazi menace. In strategic terms, the probability of attacks upon our Atlantic coast and upon Newfoundland is as great as it is upon our Pacific coast. But for the shield which Britain constitutes, the danger to Canada from Europe would be far greater than the danger to Canada from the far east.

One of the most difficult decisions in waging war is the decision which must be made as to the disposition of fighting strength. Over and over again it is necessary to decide what proportion of total fighting strength should be sent to the front line to engage the enemy, and what proportion should be held in reserve to secure the base of operations and protect the lines of communication.

From the outset of the war the government has been attacked on this score from opposite extremes. At one extreme are those who would send every trained man and every available weapon overseas, without regard to the risk thereby incurred of exposing our own country to direct attack which nothing could be done to repel. At the other extreme are those who would keep every able-bodied man and every available weapon in Canada, without regard to the risk of allowing our allies and friends to be defeated, and thus exposing ourselves to the full fury of a triumphant enemy.

Both extremes are perilous. To adopt either might be fatal to the very existence of our country. Unless we take every reasonable precaution to maintain the territorial security of Canada, the enemy might, by sudden surprise attacks, do incalculable damage to the country. On the other hand, unless we take our full share of the combat and do our full part to

defeat the enemy before he reaches our shores, we may be left practically alone to face his onslaughts.

Before the Japanese attacks were made on British and American territories in the Pacific, the insistence of the government upon the maintenance of a foundation for the actual physical defence of Canadian territory aroused in some quarters a good deal of impatience. The opposite tendency has been more in evidence since December 7. Canada will never enjoy permanent security until the axis powers are defeated, and the spirit of aggression is uprooted and destroyed. That can never be achieved by keeping at home all our men and resources in an attempt to build an iron wall of defence on our coasts. That, indeed, would be the best way of making sure we should have to fight the war on Canadian soil.

So long as the international gangsters are plundering and marauding at large in the world, we can never make Canada so secure that there will not be somewhere some danger of attack. But, as I have repeatedly pointed out, we cannot on that account afford to neglect reasonable precautions. In certain strategic areas we must be prepared to meet sudden raids from sea and air. The maintenance of the security of the base of operations is the most elementary rule of warfare.

To meet the increasing menace of attack on both coasts, the government has taken many important steps to strengthen Canada's capacity to resist attack. For obvious reasons I cannot give to our own people precise information concerning these measures without giving the same information to the enemy.

I am prepared, however, without being so precise as to reveal specific details which might assist the enemy, to give some indication of the steps being taken to strengthen our territorial and coastal defences. What I am about to say on this subject refers mainly to land and air defences. Concerning naval defence, I can add but little, if anything, to what I said on January 26 last. However, there is something that I can add.

Since that date, attacks by many submarines have been made in coastal waters of Canada and the United States. In many cases these attacks have occurred within sight of the shores of this continent. There is no reason to believe that these attacks will not continue and probably become more intensive. Officers of the Canadian naval service have expressed the view that within a few months submarines may well be found operating within the gulf, and even in the St. Lawrence river. It is known that enemy submarines can leave their bases on the European continent, voyage to the shores of this continent, seek their prey for some days or weeks and return to their bases without the necessity of refueling. If enemy submarines do operate in the gulf and river St. Lawrence, an additional burden will be thrown on the Canadian navy. Not only will our navy have the duty of assisting in escorting Atlantic convoys, but it will also have to assume the task of escorting convoys in the river St. Lawrence and in the gulf as well as along our coasts.

The Canadian navy has a share in the primary responsibility for our territorial defence. In the midst of world-wide conflict, warfare on the seas is indivisible. Any Canadian ship of war, wherever it may be operating, is engaged in defending Canada. How or where our ships are employed cannot, of course, be disclosed with exactness. It is, however, common knowledge that the major strength of the Canadian navy is in the Atlantic, sharing in the burden—and bearing a large share—of escorting convoys. This does not mean that the naval defence of the Pacific is being neglected. Inevitably the naval tasks of the united nations are so apportioned as to secure the maximum advantage from their total naval strength.

As I said on January 26, save in so far as the number of available ships necessarily sets the limit to the number of men who can be enlisted for training, no limitation so far as our navy is concerned has been placed upon the number, either of ships or of men.

There is no lack of recruits for the naval service. Indeed there is a considerable waiting list. But in addition to the limitations which have been mentioned as to the number of available ships, there is the further limitation imposed by the difficulty of training men, particularly officers and petty officers. In the nature of things, naval training takes a longer time than the training necessary for either of the other two services. After men have been given all the instruction in the art of naval warfare that can be given on shore, there still remains the long path of varied experience over which they must pass before they are thoroughly equipped for positions of responsibility at sea.

Up to the present the building of naval craft and the training of men to man these craft have proceeded at an almost equal pace. Most of the ships of Canada's navy have been built in Canada, and they are, of course, manned by Canadians. The achievements of Canadian corvettes, named after Canadian cities and towns, have captured the admiration of Canadians generally and have won the praise of naval authorities in other countries. What is true of Canadian corvettes is true also of every other type of craft in the Canadian navy. Officers and men of the Royal Canadian Navy, of the Royal Canadian

Naval Volunteer Reserve, and of the Royal Canadian Naval Reserve, manning armed merchant cruisers, destroyers, minesweepers, patrol boats and other naval vessels have acquitted themselves ably and honourably over wide expanses of ocean. It can be truly said that with every month that passes, Canada's contribution to naval warfare is growing in extent and effectiveness. As that contribution grows, our security increases.

The programme for the army overseas, announced on January 26, is already under way. At that time, I also gave a résumé of what had been done with regard to the territorial defence of Canada, following the outbreak of war with Japan. I stated that new units were being mobilized in accordance with anticipated deliveries of equipment. I can now say that, in accordance with that policy, nearly a dozen new battalions have already been mobilized, together with a considerable number of additional anti-aircraft and coast defence batteries. These formations are being given an active role in connection with territorial defence.

I also indicated that the organization of additional formations would depend on developments in the war situation, and mentioned particularly the mobilization of another division. Since that time the war situation has further deteriorated, particularly in the far east. In consequence of this fact the government has authorized the mobilization of two additional divisions, the 7th and the 8th. The additional formations will add depth to our existing and contemplated defences. They will be given the role of mobile reserves, with special reference to the east and west coasts.

I will not repeat what I said in January as to the special steps and special dispositions which had then been made to meet the conditions resulting from the outbreak of war with Japan. Those measures have been implemented. The new mobilizations which I have just indicated are by way of additional security. Our coast defences and anti-aircraft defences are being strengthened week by week as new equipment becomes available, and as new units already authorized complete their mobilization.

The house will understand that, for reasons of security, I cannot give the disposition of these new formations. It has, of course, to be recognized that the ultimate disposition of all troops necessarily depends upon circumstances which determine the course of the war. I can say, however, that both the troops and the equipment available will be disposed of to the very best advantage to meet any anticipated forms or scales of attack.

In the outline I gave of the war programme for the present year, I referred to the fact that the air force, like the navy and the army, had its part in the territorial and coastal defence of Canada and Newfoundland. I added that the responsibilities of the air force on the Pacific coast had been increased by the outbreak of war with Japan. I stated that, in consequence of the increased responsibilities of the air force for territorial and coastal defence, some increase in the home war establishment of the Royal Canadian Air Force must be anticipated. While there are obvious reasons why precise details of the expansion of our air defences cannot be made public, it can be said that this expansion will involve marked increases in the number of combat squadrons, for reconnaissance, anti-submarine, striking, and fighter operations.

Some indication of the scale of expansion of the home war establishment of the R.C.A.F. is revealed by the rise in expenditures on air defences in Canada. These expenditures are exclusive of the cost of air training. The expenditures were:

In 1939-40 over $28,000,000.
In 1940-41 over $50,000,000.
In 1941-42 approximately $115,000,000.

The estimates for 1942-43 were originally fixed at $233,000,000. Events since December 7 have led to a new survey, as a result of which this estimate has been raised to $315,000,000. Long range commitments have been made of an additional $120,000,000.

I might indicate some of the factors which have made this substantial increase possible. More aircraft are becoming available. Canadian production of combat aircraft is reaching its zenith. Orders placed some time ago in the United States are now being filled. It might be of interest for me to point out that by far the largest proportion of the aircraft will be provided by Canadian plants. The air crew and ground crew required for the expanded programme will be readily available. The British commonwealth air training plan is training pilots, observers and gunners in numbers sufficient to meet all our commitments to our partners in the plan, and, in addition, to provide fully for our home war establishment. Our requirements of ground crew are readily filled by voluntary recruitment. The technical ground crew training facilities are easily able to meet the additional demands placed upon them.

The construction of air fields and other defences presents no difficulties. The experience acquired during the years 1940 and 1941, in the construction of home war establishments, as well as air training schools and establishments, has made of the departments of transport and munitions and supply highly efficient and highly expeditious construction agencies. Most of the essential developments

connected with the basic defence of our coasts are either completed or in process of completion. The projects this year will provide mainly for defence in greater depth, and for the development of satellite and auxiliary aerodromes.

The last thought or desire of the government would be to lull the people of our country into any false sense of security. No matter how complete our defences may be, we can never be sure of preventing the enemy from attempting some form of attack. To defeat such attempts we must utilize to the best advantage possible the men and equipment we have and are able to obtain.

It goes without saying that in any attempted attack on the north American continent, the joint United States-Canadian plans for defence would come into immediate operation. What I have said is, I trust, a sufficient indication that the security of our Canadian coasts is not only not being neglected but is being constantly increased and strengthened. I can assure the house that, keeping in mind strategic conditions elsewhere, the government is endeavouring, practically and vigorously, to strengthen Canada's defences by sea, land and air to meet any situation which is likely to arise.

Something has been said during the course of the present debate about the possibility of Canada sending a force to Australia. In connection with the utilization of the Canadian army there has been one principle which the government has invariably held to, and that is that our troops should serve where and in whatever way they can do the most good to the common cause.

We consulted with those with whom we are associated in the war effort as to how best we could help, and we undertook a programme accordingly, which I announced in January. We had full consultation with our military advisers, and in view of the obligations to which we had committed ourselves overseas, and having regard to the other factors involved, it did not appear to be in the interests of the combined war effort that Canada should undertake at this time the sending of an expeditionary force to Australia. There was the further important circumstance that such dispositions were properly the subject of consideration, not by Canada alone but by the combined chiefs of staff committee of the united nations. It goes without saying that we are most anxious to cooperate with our sister dominion in every practicable way at this time of danger, and we have examined and have communicated with Australia, respecting other forms of assistance.

[Mr. Mackenzie King.]

What I have said does not mean that Canada, as far as the army is concerned, withdraws one iota from the attitude we have taken, namely, that Canada wants its troops to be used in whatever way and in whatever theatre it is considered they can make the most useful contribution. That has been and will continue to be our position. In addition to other statements on the subject, I, myself, have personally made that purpose abundantly clear to the United Kingdom government.

Mr. GREEN: May I ask the Prime Minister a question with regard to the latter part of his statement? He did not say anything about the Pacific council for which Australia has been pressing so strongly. Is the Prime Minister in a position to state whether Canada will ask that such a Pacific council be set up, and will ask for representation on that council?

Mr. MACKENZIE KING: The subject to which my hon. friend has just referred is a part of a larger subject, which is, the most effective kind of cooperation that can be arranged between the united nations, and in particular, between the governments of the United Kingdom and the United States.

As the house is well aware, the foundation of that cooperative effort was laid at the time of the visit of Mr. Churchill to Washington. Since then, very careful consideration has been given to what is likely in the long run to be best in the way of boards or councils on which the different parts of the empire, the United States, and the other united nations may be represented. There are advantages and disadvantages with respect to having all these boards or councils located in the United Kingdom; advantages and disadvantages in having them all located in the United States. What the countries concerned have been seeking to do is to weigh carefully, in the light of all considerations which should be taken into account, the best arrangement for furthering a common, cooperative effort.

In regard to the Pacific council, it was felt for some time that, having regard to strategic considerations in particular, the area which was immediately concerned was the southern Pacific and the far east, and that the nations which should be called into consultation in reference to matters likely to arise there, should be the nations that were more immediately concerned with that particular area.

May I say this, in a general way, that sometimes an individual achieves most, not by asserting himself too much, but by effacing himself, by taking into account the difficulties which others have and which have to be met,

and by seeking as far as possible not to emphasize and increase those difficulties, but rather to minimize and lessen them and, as far as it is possible, overcome them. In that regard it is much the same with a nation as with an individual. One of the difficulties which presents itself respecting the appointment of a board or council which relates to any part of the British commonwealth is, that the commonwealth is composed of several self-governing nations and, where one part seeks representation on a particular board or council, unless it is possible to give the best of reasons why every other part of the commonwealth should not be similarly represented, a difficulty immediately presents itself.

I give that as an illustration of the kind of thing which has presented itself to the Prime Minister of Britain and his colleagues in deciding upon representation of certain nations of the commonwealth in Britain and the kind of thing of which we here have had to take account in considering whether we should be represented on a board or council in Washington rather than in London. Hon. members will see at once that, the minute Washington is preferred to London in the matter of representation on some board or council that has to do with war strategy and war policy, a question arises in the public mind, as to why Washington was chosen in preference to London.

Up to the present, and may I say, right along, we have taken the position as a government that, where we saw that Canada's interests were likely to be prejudiced in any particular, we have made strong protest and strong representations as to why we should be given representation which up to that time we had not had. But where we have had reason to believe that our position was such that it in no way was being prejudiced or impaired, we have sought, as I have said, not to raise or press matters which were likely to make a difficult situation more difficult, but rather to watch the situation and at the right moment gain the representation we wished.

That is, I think, pretty much the situation with regard to the matter of Canada's representation on a council at Washington at the present time, that the final arrangements in respect to that council have not yet been made as between Britain and the United States; but both know that Canada expects to have full representation, and we have no reason to believe that we shall not have the needed representation at the moment that it may be best to bring it into being.

Mr. GREEN: I raise the point because the Australian minister who is now visiting in the United States is reported as having expressed the wish that Canada should have representation on that council; and for a Pacific coast Canadian it is of vital importance that we should be on that council. The situation has changed so much now, with the Malay States and Java gone, that I think Canada comes fairly into the Pacific picture and should be represented on that council.

Mr. MACKENZIE KING: Yes. But may I say to my hon. friend that I hope it will not be assumed, because we are not actually represented on any council, that we are not kept very fully informed with respect to all that is taking place and that Canada's interests in every particular are not being closely watched. We have our liaison officers at Washington; we have there the representatives of the different departments; we have our minister. We have similar representation in London. We are, I can say, kept informed day by day as to any matters of vital concern. The matter of the formal representation, in the long run, is something which relates only to the question of the right moment.

Mr. GREEN: Is it not a fact that Australia and New Zealand, in addition to Great Britain, are already represented on the Pacific council?

Mr. MACKENZIE KING: At the moment I cannot answer my hon. friend's question, because I am not sure whether both countries are being represented. I know that both expect to be represented, and they may be

Hon. R. B. HANSON (Leader of the Opposition): The position in relation to the Pacific council as explained by the Prime Minister may be described as one of watchful waiting. I gather that so far Canada has not been asked to become a member of this council; and with that, I think, at the moment we shall have to be content. But there is no doubt that a large body of public opinion, especially in western Canada and of British Columbia—which opinion the hon. member for Vancouver South (Mr. Green) has presented in this house—thinks Canada as a Pacific power should be represented on that council. Whether or not that is possible at the moment, I do not know, and I do not propose to explore the position any further this afternoon.

Mr. MACKENZIE KING: May I say to my hon. friend that I hardly think the expression "watchful waiting" describes it, because our position has been strongly presented to the United Kingdom and the United States governments. They both are

informed of our attitude and of our desires. Governments do not all move as rapidly as some people would like, and it is just a matter of the right moment of adjustment.

Mr. HANSON (York-Sunbury): Have we asked to be represented on the Pacific council, or how far has Canada gone? I will make that inquiry.

Mr. MACKENZIE KING: I will say we have, yes.

Mr. HANSON (York-Sunbury): The Prime Minister did not make that clear in the statement he made. I am not saying it to be critical. I know that anyone in his position must speak with great care. Now I think we have had some clarification of the position.

Mr. MACKENZIE KING: When I say we have, I do not say we have pressed for it at this very moment, because we realize that there have been situations in England which require our point of view to be given there rather than in the United States. But we have made it sure that we expect to be represented on the council in the United States if it is finally decided that the council is to continue there.

Mr. HANSON (York-Sunbury): I would expect that to be about as frank a statement as the Prime Minister could make at the moment, and I have no doubt that in due course, if, as and when it is set up in Washington, Canada will be represented. I should be astonished if it were otherwise, notwithstanding what other people in other countries might say. So much for that. I refer to it in opening because it is the last topic to which the Prime Minister referred.

I hope the people of Canada will give heed to the earlier part of the Prime Minister's address, because I am afraid that even right down to this minute the people of Canada are not awake to the perils of the international situation. I have never felt, all through these two and a half years of war, that the people of Canada realized the immense gravity of this whole terrible situation. As somebody said the other day, the great mass of our people are still movie-minded; and if what the Prime Minister has said, if whatever small amount of power I can get behind whatever I have to say to-day, will bring to the minds of the Canadian people the intense gravity of the situation, then the time spent this afternoon in holding up the item of the Minister of Finance, which I know he is so anxious to get through, will be well worth while.

I will say this. If the speech which the hon. member for Vancouver South (Mr. Green) made on Monday evening, and if the request which I made just at the close had the effect of bringing forth the latter part of the Prime Minister's statement, that was worth while too.

I do not have to be convinced about the gravity of the situation. I have tried to urge, with all the power at my command, upon all the Canadian people how grave the situation is. Hon. gentlemen on this side do not have to be sold the idea. I do not think hon. gentlemen on the other side have to be sold the idea of the gravity of the situation. There may be some exceptions; I will not make them this afternoon. But a great many of the Canadian people do not know that there is a war on in the true sense of that term, and if what the Prime Minister said in the early part of his remarks brings home to them just how serious the whole situation is, it is all to the good.

What is the position? Ever since the fall of France the international position has steadily deteriorated until day by day, week by week, month by month the war has been brought nearer to our doors. To-day we are witnessing the spectacle of submarines on the Atlantic coast within sight of land. I am glad the Prime Minister made the statement he did with regard to that—submarines within sight of our own nations blowing up merchant ships. And that might well have happened on the banks of the St. Lawrence. If that be so, I wonder if the hon. member for Témiscouata (Mr. Pouliot) and other hon. gentlemen I could name will continue in the attitude which they have adopted from time to time in this house. While the actual theatres of war are still far from our shores, the fact of the matter is that the war is coming day by day, week by week, month by month, nearer and nearer to us. That is a truth which I should like to see instilled into the Canadian people this afternoon. I welcome that part of the statement of the Prime Minister if it will have the effect of bringing home to the people that we must have, in truth and in fact, total war preparation in this country, which we have not got to-day.

I am not going to jibe the Prime Minister at this moment, and say that while this is so and while we are all agreed about it, we are pausing to hold a plebiscite. I have said all I want to say about that. Let me add this about the plebiscite, however. If it fails to carry, then a crisis will be precipitated in this country, and God help this country!

I welcome the announcement of the establishment of two new mobile divisions. I welcome and the country will welcome the announcement of the extension of the home war establishment of the air force, because we

who have studied the situation have known for a long time of the tragic trend of events in the various theatres of war. We have known for a long time that you cannot win, you cannot defend, you cannot do anything with success unless you have air equipment to fight with. This has been demonstrated so many times. Singapore! Oh, if they had had air defence at Singapore the story might have been different. The more we can get, whether of domestic manufacture or imported it matters not, so long as we can get them, the better. They must be had. I am wondering if the production of aircraft in Canada is what it ought to be. I should like to see the director of aircraft production in Canada brought before, I will not say the whole parliament, in secret session, but before a select committee of members of this house, and asked to give us the true picture about aeroplane production in the dominion, without let or hindrance. I do not know what he would say. But I do know that certain factories in this country have not been operating on full time, or anything like full time, in aeroplane production. I do not know whose fault it is. I do not know where the lack of coordination is. I have heard stories, and as a lawyer I must characterize them as hearsay, that there is lack of coordination in those corporations which have been set up to supply certain essential parts for our aeroplane production; that there has not been coordination in production in order that the assembly plants may operate on full time. I do not know how much truth there is in it—members of the ministry will know much better than I do—but that is the nasty story that is going around the country and reaches me. I merely mention it in order that the Prime Minister and those around him may give it consideration. I do know that some aeroplane factories in this country are not running full time. They ought to be running twenty-four hours a day, seven days a week, because I believe that is the best source of defence material for the allied nations and for Canada as well.

The Prime Minister said a word on reconstruction. He issued a solemn warning to the people of Canada about the conduct of the war. I suspect that the topic of reconstruction was, I will not say an excuse, but an opportunity for him to make the important statement he has made this afternoon. Be that as it may, the question of reconstruction has occupied the attention of this house in recent days, and there are people in this country who are devoting to it a good deal of time and thought. It is a popular topic among the intelligentsia; I understand the hon. member for St. Lawrence-St. George (Mr. Claxton) journeyed away down to Williamstown the other day, and he gave us some results of his trip down there relating to this matter. I do not want to throw cold water on the enthusiasm of those who are talking of post-war reconstruction; I do not think it is too soon to begin to talk about reconstruction. But what type of blueprint for reconstruction, either at this time or in the immediate future, can this country set up when we do not even know whether we are going to have a country or a constitution to operate?

Mr. RALSTON: Or a post-war period.

Mr. HANSON (York-Sunbury): Or even a post-war period. After all, when you come down to the final analysis of this whole situation the winning of the war is the only thing that matters now. It is popular among certain classes in this country to cry out, "Oh, you must plan for a new world order." We have all given lip-service to that theory, but what kind of world are we going to have if we do not win this war?

Mr. BRUCE: Slavery.

Mr. HANSON (York-Sunbury): If we do not win this war, if Britain falls, if we cannot defend ourselves, if the United States cannot defend us, what kind of order are we going to have in Canada? There is only one answer to that; the Canadian people, irrespective of class, race or creed, must get right behind any and every effort that it is possible to make to win this war. And the government must give the leadership. I think the government is trying to give some leadership. I do not want anyone to believe that I am indulging in carping criticism. But I am glad to have the opportunity to unbosom my soul this afternoon on this matter, because it is borne in upon my conscience that this war situation as it affects Canada, as it affects the united nations certainly, has grown steadily worse. I was almost going to use the language used by the Minister of Labour (Mr. Mitchell) the other day, that only a miracle can win this war. I do not say that, I say that the united will and purpose of the united nations can win this war if they and we will face the situation realistically. It would be all very well to set up committees on rehabilitation and talk about planned economies for the future if you knew that there was to be a future. But from the bottom of my heart I say to hon. members all over this house, let us win the war, and then see what kind of blueprint the best minds of this country can produce for the post-war period. Let us not be too sure that our opinions of to-day are the best opinions. We may all have to change our

views. No nation, none of the united nations, were ever confronted with a situation which seems to change so rapidly, almost overnight. Economic changes will come, but who can say what they will be when the time comes that we can give practical effect to our ideas based on conditions that may then obtain?

When I came into the chamber this afternoon I had no idea of making the statements I have just uttered. I intended to rise to call the attention of the Minister of National War Services (Mr. Thorson) to some changes which I think should be made in the national war regulations. But I have no apology to make to this house or to the Canadian people for what I have said. I should like to commend to this house and to the people of Canada the thoughtful, able and challenging address made here earlier to-day by the hon. member for Lake Centre (Mr. Diefenbaker). I agree 100 per cent with nearly everything he has said. I know that there has been a sense of frustration in connection with the examination of the war expenditures of bygone days. I think it would be wise if these committees are to be reestablished, that they be open to the public, and that the whip should be taken off. I am told that the whips are there and that when the danger point is approached the lid is closed. That ought not to be, in the present situation.

Mr. GOLDING: That is not true.

Mr. HANSON (York-Sunbury): All right; I have not first-hand information. I was not present, but that is the report given to me by those who represented us on those committees. I am not going to say anything more about it now.

Mr. McILRAITH: Mr. Speaker—

Mr. HANSON (York-Sunbury): I wish to go on with my speech.

Mr. McILRAITH: On a question of privilege in that connection, some hon. members here, and I was one, sat on that committee. No such pressure was exerted in any manner whatsoever on me as a member of the committee. I wish to make that perfectly clear. In saying what he has said I feel that the leader of the opposition tends to cast a reflection on the members who sat on the committee.

Mr. HANSON (York-Sunbury): Well, if the hon. member takes it that way I cannot help it, but does he say there was free wide-open discussion?

Mr. McILRAITH: Yes, he does say so.

Mr. HANSON (York-Sunbury): That is not my information. I am content to leave it there.

[Mr. R. B. Hanson.]

My intention was to rise to-day in connection with what I am informed and believe are certain anomalies in the national war service regulations. I regret that the minister in charge of that department is not at the moment in his seat, because my remarks will be largely directed to him. He was here earlier in the afternoon, but is not here now.

It will be recalled by members of this house that the National Resources Mobilization Act was passed in June, 1940, after the fall of France; and that upon that act being passed a national registration was held, in August of that year. In my understanding, that was predicated upon the theory of a national stock-taking of the man and woman power of Canada at that time, and their availability for service. The cost of that registration was upwards of $900,000; and I am bound to say that so far the evidence of the results flowing from that registration has not been anything like commensurate with the expenditure involved and the effort expended, much of which was given to the country gratuitously. So far as I have been able to ascertain, practically speaking the only use that was made of the national registration was to draw out the cards of the men of military age. There may have been other uses; if there were, they have not been brought to my attention.

I pause here to direct the attention of the Prime Minister (Mr. Mackenzie King), the members of the government and the Minister of National War Services (Mr. Thorson) himself, to what to me is a rather astonishing answer to a question placed on the order paper by the hon. member for Jasper-Edson (Mr. Kuhl) and answered in this house by the minister on March 9. If hon. members will turn to page 1115 of *Hansard*, they will see exactly what I mean. On that occasion the hon. member asked the government these questions:

1. Has the government used the information obtained in the national registration to compile statistics which will show, (a) the number of skilled man-hours of work which are available; (b) the extent to which these hours of work are being utilized; (c) the manner in which they are being utilized; (d) the number of unskilled man-hours of work available; (e) the manner in which and the extent to which they are being utilized; (f) the extent to which the unskilled labour is being trained?

2. If so, what statistics are available?

The answer brought down by the minister was "no", repeated seven times. Not only have they not used the information available; they have no statistics about anything. There is one thing to be said about that answer; it is frank; I assume that it is true, and there is no ambiguity about it. But it is an astonishing answer.

Mr. THORSON: It deals with the matter of man-hours.

Mr. HANSON: I understand that; I read what it meant—man-hours, based on a statistical review of the registration, and nothing has been done with respect to that. It asks what is the available man and woman power in this country, in terms of hours, and nothing has been done about it. To me that is just an astonishing situation.

At the same time that the mobilization act was passed the Department of National War Services was created and set up; and on August 27, 1940, the national war services regulations were established. Later on they were consolidated and further amended and approved by order in council P.C. 1822 of March 18, 1941, and I think they have been further amended from time to time. As originally set up, the regulations provided for the military training of unmarried men within certain age groups for a period of only thirty days, which, as we all know, was later increased to four months. I shall refer only briefly to the reasons given at that time by the then chief of the general staff as to why the training was limited to only thirty days. Several reasons were given. The two important reasons were, first, that there was no equipment available for further training and, second, that the young men of Canada had to be taught a sense of their national obligation. The only observation I desire to make with respect to that is that to me it was a very strange reason to advance. I have made other observations in that connection, but I am not going to pause to repeat them to-day.

The set-up adopted in August, 1940, had to take into account the existing methods of military service in Canada, such as those furnished by the reserve militia units for the men and the training given at various institutions under the officers' training corps. I am assuming, without being a student of military matters, that the regulations as then set up were appropriate to the conditions as they existed then, qua the thirty-day training period. Men carried on the strength of the reserve militia units were considered as receiving the equivalent of thirty days of training at the different centres to which the age groups from twenty-one to twenty-four were to be called up.

Then came the extension of the war in practically every theatre and on almost every continent which, of course, as conditions in the Department of National Defence expanded and improved, led to the replacement of the thirty-day training plan by the four months plan, which, as everyone knows, was subsequently extended to training and service for the duration of the war, but within Canada. As I stated before, the national war services regulations, first established in 1940, have been amended on several occasions, in particular on February 24, 1941, as approved by order in council I think in March of the same year. The dates are not very important. They were amended to deal with the additional service required.

This is the first point I want to make to the minister, and I hope what I have to say will be constructive and will receive the attention of himself and his officers. It has been represented to me that many of the rules and regulations which were reasonable at the time they were adopted in August, 1940, have no place under the existing system as it is now extended. The suggestion that is made to me in this connection is that many of these out-of-date regulations, if that is a proper term to apply to them, are now being used as loopholes which it is alleged encourage or enable persons to evade their responsibilities.

Mr. THORSON: I do not think that is true.

Mr. HANSON (York-Sunbury): That is the allegation that I get. In support of that allegation I received the other day a communication from a gentleman whose patriotism and knowledge of military affairs are of the highest order. He was a soldier in the last war; he comes from a family which is perhaps noted for its patriotism. He served, and I believe is still serving, as the head of the citizens' recruiting committee for military district No. 4, which is Montreal. Recently he wrote a letter to the Montreal *Star*, a copy of which I hold in my hand and which I have no doubt has been brought to the attention of the minister. In this letter he points out that at present there are no less than seven training centres in military district No. 4, and that at these camps the young trainees called out for service in Canada are urged from time to time to join one of the active service units of their own selection. We know that is so, and we have heard on several occasions in this house of some of the methods used to attain that objective, but it is not my intention to pursue that topic at the moment.

It is alleged that the esprit de corps and spirit of sacrifice among these trainees would be immeasurably strengthened if the Department of National War Services were to rescind all those portions of the 1940 regulations which permit a way out for dodgers and slackers.

This gentleman goes on to point out some of the most important weaknesses in the regula-

tions, and I am going to deal with them seriatim. I am not doing it in any spirit of criticism. I think this may be helpful to the minister.

Mr. THORSON: I should like to assure the hon. leader of the opposition (Mr. Hanson) that any constructive suggestions which will make the regulations more workable, more adaptable, for the purposes for which they were framed will be cordially welcomed.

Mr. HANSON (York-Sunbury): So far so good—we are met on common ground. This is the first suggestion made.

1. That men of the trainee ages who were on the strength of a reserve unit on August 15, 1940, have not been made liable for service in Canada for the duration if they have been attending parades of their reserve units.

I understand—the minister may correct me—that this position is still recognized; and if this excuse still obtains, the position should be changed. It is not good enough.

2. As I understand it, the exemption and postponement provisions of regulation 17, headed "University and College Students," enables students attending a university Canadian officers' training corps to avoid full-time compulsory military service in Canada. In fact, subsection 4 of regulation 17 goes so far as to give complete exemption from service to a student who is qualified by training in this corps to be a commissioned officer in the naval, military or air forces of Canada; that is, unless he has agreed to go on active service in consideration for the special training he has received at the country's expense. It is represented that young men are now taking these courses at the expense of the public without undertaking to serve Canada either here or anywhere the authorities may need them. That is the allegation. That would seem to me to be a wrong position, and if it is the situation it should be corrected. I want to follow that a little further.

In addition, it is represented that the existing regulations permit a partial student in a special course—after all, that may be only colour—or a post-graduate student in a profession not connected with any war activities to be taken on the strength of a university officers' training corps and claim similar exemption privileges. I believe that is true. Why? I ask that question. I suggest that that position is capable of great abuse.

All this, I am told, tends to cause resentment among those called out for the duration who are not able to bring themselves within these special provisions, and it is suggested to me that these rules permit those who are better off financially and who are indifferent to their obligations to escape from doing their duty at this time of national peril. I suggest to the minister, therefore, that the time has passed when this country should go to the expense of further qualifying young men as officers unless they are prepared to join up in the active service forces. This would appear to be just to those in the ranks of the Canadian active army in Canada and abroad which is full of men who have earned the right to be selected and trained for commissioned rank.

It is further suggested that the presence of potential officer material in the ranks of the various training centres would act as a stimulus to the morale of the men.

I suggest to the minister that regulation 17 can be and has been abused. It should be tightened up, for otherwise, as time goes on, it will be more and more abused. I am not going to fathom the whole depth of the abuses. We can use a little of our imaginations. The appropriate department should take the necessary steps to correct this position and make the thing airtight.

3. I suggest to the minister that it is a recognized principle that in all compulsory war regulations, in so far as humanly possible, everyone affected by an order should be treated alike, and in calling out men for service in the armed forces the medical category into which a trainee is put is a matter of the first-rate importance.

Under regulation 12, which deals with medical examination, the decision is left in the first place to the judgment of a single civilian medical practitioner. We have heard of abuses in certain parts of the country where treatments have been handed out so as to lower the categories of those called up. I do not know whether that is true or not.

Mr. THORSON: Will the hon. gentleman give any instance of that in respect of trainees?

Mr. HANSON (York-Sunbury): I only know what I read in the papers and what the minister himself and his department must have read. I simply state that there are reports to that effect, but I have no specific instance and I am making no charge.

Mr. THORSON: There is no truth in the report.

Mr. HANSON (York-Sunbury): I hope there is no truth in the report; but how did it get abroad? The Canadian Press is a reliable organization and it gives credence to this report. I suggest to the minister that where there is smoke there is some fire. I am going to leave it at that. The minister gives the report a flat denial. I wonder just how he

knows there is no truth in the report. He cannot possibly know. He can only say what somebody else has told him.

I am dealing with the first examination of a trainee. He goes to a single civilian medical practitioner of his own choice. I am afraid that in certain and, I hope, isolated cases that power has been abused.

Mr. THORSON: If there has been any abuse on the part of doctors, I, as minister of the department, would welcome any particulars. Charges have been made with regard to some practising physicians, and these charges have invariably been investigated. I am glad to be able to say that the investigations of these charges show that there is no foundation for them and that the physicians of this country are discharging their duties in an honest manner.

Mr. HANSON (York-Sunbury): The minister can make his statement when I am finished. I am going on with my statement and I do not care what the minister says. This is a charge made by a responsible civilian recruiting agent who had probably more first-hand information than the minister can possibly have.

An hon. MEMBER: Who is he?

Mr. HANSON (York-Sunbury): I have not mentioned his name, but he is well known to the Minister of National Defence (Mr. Ralston) who could vouch for his character. It is true that if the registrar is not satisfied he may order a reexamination. In the days of the thirty-day training period, the regulation was of no particular consequence because of the short period of training; but now that the period of training and service has been extended for the whole duration of the war, and the men are retained in the service, I suggest to the minister that the regulation puts too much power and responsibility in the hands of one civilian physician. I think it would be a good thing to abolish this practice and appoint medical boards made up of three full-time army officers to decide whether these men fall within categories A, B, C, D or E. That is a specific recommendation I make. I suggest to him that as things get tighter and more men are required, if we are to follow up the present practice of recruiting, they will have to come to that. Why not face the situation now?

Mr. RALSTON: So far as I know, this comes under my colleague's department, but I have inquired about the same thing. I think the only reason given—and here I may be wrong—was that men are located in individual communities all over the place. If they had to come to a training centre and then were turned down and had to go back, it would be a lot of trouble for nothing. This principle was adopted, as is said, under the thirty-day plan.

Mr. HANSON (York-Sunbury): I do not think there could have been so much objection under the thirty-day plan, but I heard over the radio the other night an announcement made in connection with recruiting for the Royal Canadian Air Force, and it was stated that they were carrying along with them an army doctor. The man is examined right on the spot.

Mr. RALSTON: That is different.

Mr. HANSON (York-Sunbury): There may be some difference, but the principle is just the same.

Mr. RALSTON: For the men called up for training you would have to have the boards acting all at once.

Mr. HANSON (York-Sunbury): I know it is not quite the same. I was suggesting that the theory upon which this was set up no longer serves, and that proper medical boards should be appointed.

Mr. RALSTON: You will find no objection from the army.

Mr. HANSON (York-Sunbury): You mean to say, if that recommendation is carried out?

Mr. RALSTON: Yes.

Mr. HANSON (York-Sunbury): The minister ought to back me up. He is not doing it very strongly. Apparently he supports the theory I am advocating.

Mr. RALSTON: It is really a matter of practical ability to carry it out.

Mr. HANSON (York-Sunbury): I know, but what is money between friends in this war effort? Money does not mean a thing in this war effort. I do not mean to say that we approve extravagant expenditures; we do not. We stand for the principle of equality of service. A man should not be put in a lower category when he ought to be in a higher category. We should see that he is put in the right category.

My fourth question is in reference to the interpretation section, or that part having to do with key men, training period and war industry. I have often wondered how a man between the ages of twenty to twenty-five years could be considered a key man in industry. He may be a key man on the farm, but I doubt very much if any twenty-year-old man can be a key man in industry. I suggest that consideration ought to be given to this. Then "training period" is defined to be such

period as may be ordained by such proclamation. That may have been all right when the period was thirty days, or even when it was four months, but it does not fit the facts to-day when we are dealing with service for the duration. I am going to omit some of the comments I had intended to make.

The next definition is that of students. I suggest that a new definition to cover bona fide students is required. In drafting this new definition regard should be had to those students proceeding to take medical degrees as opposed to those taking other professional courses. The announcement of the Minister of National Defence of aid to medical students who will go into the army indicates that the department is alive to the necessity of more doctors for national service, but I do not suggest that we need more lawyers or architects or engineers or preachers. I do not know whether I should include other professions, but we certainly do not need any more lawyers in this country.

To sum up, it is represented that because of some of the anomalies to which I have referred in the present regulations, and certain deficiencies in the rules, inequality of service results, and that acts as a deterrent to enlistment in the three fighting forces. I call upon the minister at this time of grave national emergency and necessity to remove all existing anomalies, inequalities and loopholes. These reforms are long overdue.

I should like to say a word or two about the regulations generally. There does not seem to be any elasticity in the regulations. There is no flexibility and I think the whole position should be reviewed. I know there are grave dangers, but if the proper boards are set up I think the advantage of flexibility will outweigh any other disadvantages.

I had intended to say something about the statement made yesterday by the Prime Minister on man-power mobilization. This is a huge subject matter which requires a great deal of thought and much more knowledge than I possess at the moment. I have not even been able to read the Prime Minister's statement, let alone study the orders in council. But I will say this: what I understand of the announcement does not nearly measure up to the advance press notices. I am convinced now that government propaganda is not factual, but is propaganda pure and simple. The statement made by the Prime Minister, as opposed to the advance notices, indicates that the policy has been whittled down to a degree. Considerable teeth have been taken out. That is the first observation I want to make.

[Mr. R. B. Hanson.]

My second observation is that it is apparent that the government is approaching the problem of man-power for the army and other services by the indirect route rather than by the direct approach. According to the Prime Minister, we are to have an extended national selective service plan, designed to accelerate Canada's war effort through application of what he terms the "negative compulsion of restriction". I am not going to pause to analyse what that high-sounding phrase means, but it is opposed to the positive compulsion of allocation. The young men of this country between the ages of nineteen and thirty-five are in effect told definitely that they are to join the army or starve.

Then there is a policy with respect to farmers, which I have not quite analysed yet. But I shall say this, that the steps announced by the Prime Minister yesterday fall far short of complete national selective service. They are steps in the right direction, and good steps, but they do not go the whole way. Food production is being taken care of, and of course that is very important, not only to sustain the morale of our civilian population but also the armed forces, and to feed our gallant defenders overseas.

Employment in a restricted list of non-essential occupations is to be curbed—what the Minister of Labour is reported to have termed the "golden slipper" jobs—a striking phrase, and one which sounds well, though I do not know how much it means; nobody knows. Authority is given to the Minister of Labour to obtain skilled technicians for war work. But this I say, in criticism of the plan, and in the hope that it will stimulate the government to go further: the plan appears to fall short of making provision certain that every job which has to be filled will be filled by the most competent man. Without this, any plan fails.

Mr. DEPUTY SPEAKER: Is it the pleasure of the house to adopt the motion? Carried.

Mr. CHURCH: I move the adjournment of the debate.

Motion agreed to and the house went into committee on the resolution, Mr. Vien in the chair.

Mr. HANSON (York-Sunbury): No, it is not carried. The debate was adjourned by the hon. member for Broadview (Mr. Church). He has been waiting to speak.

An hon. MEMBER: No.

Mr. HANSON (York-Sunbury): Or by one hon. member. The motion is not carried. I object.

Mr. MACKENZIE KING: As hon. members are aware, these particular resolutions are

to be followed by bills which will have to pass another house as well as this. All the bills which will be before the house between now and the Easter recess will relate to the war effort or supply; and I was going to suggest, unless it appeared to limit or restrict in any way what hon. members might wish to say, that the speeches on the war effort could take place on any one or other of the resolutions. As regards the resolution with respect to the war appropriation of two billion dollars, there will be no effort to put that through before Easter, but there may be time on Friday for debating it, and in that event speeches could be made at that time on the war effort. I think it might suit the convenience of hon. members generally if we got into committee on one or two of these resolutions, and such speeches as may be of very brief duration could be made in committee instead of on the resolution with the Speaker in the chair. Speeches at greater length with the Speaker in the chair could be made on the resolution with respect to the war appropriation bill. I believe that if my hon. friend understood that he would join with us in this matter.

Mr. MacINNIS: Will not the two billion dollar resolution also have to go into committee if we are to make an interim appropriation of $500,000,000?

Mr. MACKENZIE KING: No.

Mr. MacINNIS: That will put all the resolutions in the same category?

Mr. MACKENZIE KING: No, that is not necessary. It is necessary that the resolution should be before the house. It has been before the house and is before the house on the order paper for consideration in committee of the whole. We could not have got the proportion voted if the resolution itself had not been introduced and a motion made to have it discussed in committee.

Mr. CHURCH: I cannot make my speech in committee. I gave way this afternoon to two or three other speakers, to let them go on.

Mr. HANSON (York-Sunbury): I suggest to you that there was in the hands of Mr. Speaker a whole list of speakers. The balance has been upset by the intervention of the Prime Minister this afternoon—which was quite right; he should speak—and perhaps I spoke longer than I should; but I do not think that we should rush through this debate. We shall get through on Friday by six o'clock.

Mr. ILSLEY: Yes. But there is the senate.

Mr. HANSON (York-Sunbury): Oh! Well, I should not laugh at that. The hon. gentleman is concerned for the senate!

Mr. ILSLEY: I am not concerned with the senate, but I am concerned with the money to carry on the war, and I cannot get it unless I get a bill through this house and a bill through the senate. What I would suggest—if this would meet the convenience of the house—is that this $135,000,000 measure be carried through all stages to-morrow, and also that the $500,000,000 interim supply, which is No. 12 on the order paper, and the supplementary estimates which are before the committee of the whole, and the interim one-sixth of the main estimates, go through all stages to-morrow. If those are all through by to-morrow night they can go to the senate and the senate can pass those bills on Friday. Meanwhile no one will be prejudiced in the slightest degree, because there will still be the two billion dollar resolution, which is in committee, and discussion can go on upon that all day, every day. I am not asking the house to do anything which prejudices any single hon. member or prevents any hon. member from making a speech which he desires to make. But I suggest that that would be a businesslike way of dealing with this matter, and I am merely asking the house to carry out the programme which I suggested a little over a week ago it would be necessary for us to carry through before Easter.

Mr. HANSON (York-Sunbury): So far as I am concerned, I promised the minister a week ago that I would help him to get these measures through before the house adjourned. I am in honour bound to help him do that; and if the government wants to do it this way, why, I am content. I cannot, I should not, do anything else.

Mr. GREEN: Is there not to be any statement made by the Minister of National Defence? We can sit in committee to-morrow on this resolution.

Mr. RALSTON: I am prepared to make the statement at any time, but really I may be pardoned if I suggest that the Minister of National Defence will endeavour to make a statement at such time as may be opportune. I do not think that it is up to any hon. member to bid him at any time to make a statement. The leader of the opposition suggested the other evening that a statement be made by the ministry. The statement has been made by the Prime Minister. As the Minister of Finance has

indicated, there will be ample opportunity in connection with the two billion dollar resolution to make any statement and to discuss in full the matter of the carrying on of the war; but I do suggest that it seems to be a waste of valuable time to do that twice—on this resolution and on the other one too.

I have talked to my hon. friend a good many times and he has heard me make a good many statements. I do not know that my voice is so pleasing to him that I should get up just for the purpose of making a statement; if I made one, there are three ministers of national defence, and all of them should make statements if one did. But we thought that in connection with this war appropriation bill we would endeavour to proceed in some order, for the convenience of hon. members and of the ministers, too. Last year, you will remember, the three ministers sat here day after day. Questions were asked one minute with regard to air, another minute with regard to the navy, and another minute regarding the army. It meant that we could not have our officers here at any particular time, and we had to be prepared for almost anything, and I must admit that, so far as the army was concerned, I felt that the matter was not presented in the form which was most satisfactory either to the house or myself. This year I did hope that we would arrange in connection with the two billion dollar appropriation resolution to have one department taken at a time and exhaust the subject as nearly as possible, in the manner which would be adopted if departmental estimates were under consideration. That would apply to the minister of munitions also. If we have to get into a general discussion of the three departments in connection with the supplementary bill with regard to last year, and have to do it all over again on the new bill, we do not have the same order nor do we get an opportunity of presenting the matter in as logical and orderly a fashion as otherwise, and I do not think it would be as convenient for the members. If the citizens read the reports, it would not be as satisfactory to them either. My hon. friend suggested that I might make a statement at the moment. I do not see the need of making a statement on this resolution. I have heard two speeches, the speech delivered by my hon. friend, and the speech made by the hon. member for Hastings-Peterborough, and certain suggestions have been made with regard to reserve units, home guards and some other matters. I shall deal with those at the proper time, but is there any hurry about dealing with them before Friday?

Mr. GREEN: Will the minister deal with them before the house adjourns on the 27th?

[Mr. Ralston.]

Mr. RALSTON: It depends upon what the questions are.

Mr. GREEN: The minister knows what suggestions have been made in the house in this debate and I want to know whether or not it will be possible for him or some other minister to deal with them before we adjourn on the 27th.

Mr. RALSTON: I shall endeavour to deal with matters that I think should be dealt with before the 27th. I say this with all due respect to my hon. friend, who made a very constructive speech indeed, that most of these things he spoke of are being dealt with in one shape or another. He talks about home guard; we talk about coast guards. It is the same thing. If it is necessary that I make a statement with regard to a matter of that kind I shall be glad to do so, but I shall have to reserve the right to decide what I think is important enough to be dealt with at this time, particularly in view of the fact that we shall be coming back shortly to be engaged in a discussion in connection with the whole matter all over again.

Mr. GREEN: Will there be an opportunity for discussion to-morrow?

Mr. RALSTON: The Minister of Finance will answer that question.

Mr. ILSLEY: If the three ministers of defence make statements to-morrow I shall never get these interim supply bills through. I suggested a week ago that they should go through quickly by consent and that we could go into the two billion dollar bill and the ministers could make their statements, so that we could have an orderly discussion. The hon. member for Vancouver South would not agree to that course because he wanted to make a speech with the Speaker in the chair on this supplementary appropriation. I had no power to dissent from that. He made his speech and a great number of other speeches were made with the Speaker in the chair, and I had no power to prevent their being made, nor did I desire to prevent these speeches being made.

Mr. CASSELMAN: And they were all within the rules.

Mr. ILSLEY: Yes. But I asked the house —and I gave ample notice—to have these important supplementary and interim measures go through parliament before the recess, and that means that they will have to be through before to-morrow night. I do not think my hon. friend can get the advantage of both courses of procedure which he is asking. He has insisted on making his speech with the Speaker in the chair, rather than follow

my suggestion of putting these interim supplementary measures through by consent. If he had agreed to that course we could have gone on with the two billion dollar measure and the ministers could have made their statements and have been questioned if that were desired. But if the ministers are to make their statements on this, then we shall not get through. I am asking the house to let me get this through to-morrow night, and when the two billion dollar bill comes on such statements can be made as there is time in which to make them.

Mr. GREEN: Is it the intention of the Minister of Finance that his resolutions and bills shall go through by consent to-morrow and following that, and for the rest of the sitting until we adjourn on Friday, the two billion dollar resolution will be under discusssion with the house in committee of the whole? Is that the intention?

Mr. ILSLEY: Yes.

Mr. RALSTON: Perhaps we could make some arrangement about one minister coming on at a time.

Mr. CHURCH: Why were these war items not given precedence by the Minister of Finance, instead of taking up grain and the plebiscite? War is primary; these others are domestic and secondary.

Progress reported.

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

Thursday, March 26, 1942

The house met at three o'clock.

REPORTS OF COMMITTEES

Fourth report of the standing committee on agriculture and colonization—Mr. Weir.

RECONSTRUCTION AND REESTABLISHMENT—CONCURRENCE IN FIRST REPORT

Mr. J. G. TURGEON (Cariboo) presented the first report of the special committee on reconstruction and reestablishment, and moved that the report be concurred in.

Motion agreed to.

CANADIAN WHEAT BOARD

REFERENCE TO AGRICULTURE COMMITTEE OF REPORTS FOR CROP YEARS 1939-40 AND 1940-41

Hon. J. A. MacKINNON (Minister of Trade and Commerce) moved:

That the reports of the Canadian wheat board, tabled in the House of Commons for the crop years 1939-40 and 1940-41 be referred to the standing committee on agriculture and colonization and that authority be granted to print from day to day 500 copies in English and 200 copies in French of the minutes of proceedings and evidence to be taken by the said committee on such reports, and that standing order 64 be suspended in relation thereto.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

SALARIES OF GOVERNMENT EMPLOYEES

Mr. COTE:

How many government employees are receiving, in addition to pensions or allowances granted for their services in the last war, salaries of (1) $2,000 to $2,999, (2) $3,000 to $3,999, (3) $4,000 to $4,999, (4) $5,000 or over, (a) in the federal civil service, (b) in government-owned companies?

Mr. COTE: I wish to withdraw this question, with the reservation that at a later date I may put a new question along more specific lines.

Question dropped.

WHEAT ACREAGE REDUCTION BONUS

Mr. HAZEN:

1. What are the names and addresses of the persons to whom cheques were issued (a) for over $10,000, (b) for $5,000 to $10,000 on wheat acreage reduction bonus?
2. How were the amounts made up?
3. How much did each receive?

Mr. GARDINER: We have been refusing this type of information to many companies and municipalities and to others who are desirous of knowing what cash is going into the hands of individuals. I do not think it is proper to publish the information that is asked for, and I would ask that the question be dropped.

Mr. HANSON (York-Sunbury): It may be all right to refuse it to companies, but is it to be refused to the House of Commons? Are we not to know where the public moneys are going?

Mr. GARDINER: I do not think it is in the public interest, when amounts are being paid to a large number of individuals across a certain section of the country, to put all the information with regard to these matters into the hands of the public generally by having it placed on *Hansard*. I would suggest that the question be dropped.

Mr. COLDWELL: I want to join in the protest made by the leader of the opposition. Too often it is said in this house that information cannot be given because it would not be in the public interest to give it. When it comes

to the payment of money under statutes enacted by parliament we should know the persons to whom that money is going. I object strenuously to this manner of dealing with questions of this kind, and I hope in this case the question will not be dropped.

Mr. GARDINER: If the house is of opinion that questions should be asked and answered, which result in the publication of the names of 186,000 farmers across western Canada, I cannot, of course, object. This is a section of them and if you can publish this group of them you can publish them all. We have appeals made to us by implement companies, mortgage companies and others for lists of these farmers with the amounts that have been paid to them, and we have refused them in all cases. An indirect way to get the information would be to have the names and addresses and amounts published in the records of this house. I have no objection to doing it if the house thinks it fair to do that kind of thing.

Mr. HANSON (York-Sunbury): The minister's statement is no answer to the principle involved. It evades the issue. What do we care whether the implement manufacturers get their money? The people of Canada have a right to know who is getting $10,000 under the wheat acreage reduction plan.

Mr. CHURCH: Where is the auditor general?

Mr. HAZEN: A return was filed in the house according to which two farmers in the west received over $10,000. If I remember correctly there were just fifty-six who received between $5,000 and $10,000. To furnish the names of those men would not take a great deal of time. Public money is being expended for this purpose, and I think we are entitled to the information.

Mr. GARDINER: I have no objection to giving the hon. member or any other hon. member of the house the names of those two men, or even the fifty-six. But should we establish the practice of putting on the records of the house the names of the whole 186,000? That is what it would amount to; for if the hon. member can get half a dozen he can get them all.

Question stands.

ASSISTANCE TO AUSTRALIA

Mr. MAYBANK:

1. Was the Canadian high commissioner in Australia authorized to state that although Canada had a large force in the United Kingdom her immediate concern was the defence of the Pacific area and particularly Australia and that he had come to Australia to discover if there was anything which Canada could do for Australia; that Canada had sent troops to Hong Kong as part of the defence of Australia; but she (Canada) could do more; and if Australia desired any action by Canada, she (Australia) had only to say the word?

2. Has there been any exchange of notes or correspondence of any kind between the government of Canada and the government of Australia upon the subject matter of the said statement of the Canadian high commissioner?

3. Has the government of Australia either directly or indirectly asked for any kind of help from the Canadian government, and if so, what help and what sort of help was requested?

4. Was there any suggestion made by the Australian government with a view to ascertaining from the Canadian government what its answer would, or might be, if a request for assistance were to be made by the Australian government?

5. Did any other agency make any such request, or suggestion, on behalf of or for the benefit of Australia?

Mr. MAYBANK: It has been made to appear to me that it is not advisable to answer some parts of this question. Therefore I am content that it be dropped.

Mr. HANSON (York-Sunbury): The hon. member may be willing that it be dropped, but I am not. I do not know just what my rights are in the matter. I hold in my hand a copy of the "Bulletin of International News," issued by the Royal Institute of International Affairs, on page 63 of which I find this statement from Australia under date of January 14:

The Canadian High Commissioner—

Presumably General Odlum.

—told the press in Melbourne that though Canada had a large force in the United Kingdom her immediate concern was the defence of the Pacific area, and particularly Australia. Canadians realized that Australia's danger was greater than their own, and he had come there to discover if there was anything which Canada could do, and to see that it was done. She had sent troops to Hong Kong as part of the defence of Australia, but she could do more, and if Australia wanted it she only had to say the word.

Was the high commissioner authorized by the government to make that statement? If not, was he disciplined for making it? I ask the question in the light of the announcement made by the Prime Minister yesterday. What is the position of Canada?

Mr. MAYBANK: I rise to a point of order —I am the one who started this. In the first place, I submit that the leader of the opposition (Mr. Hanson) has no right at this moment to put the question he has been putting. Second, with reference to the question itself, I submit that before the question is put to the house I have the right to ask that it be dropped, or to drop it, which I did before he rose.

I may say frankly that I dropped the question with a good deal of reluctance, but it is because of representations made to me that I do so. I cannot of course prevent the hon. gentleman from himself putting the question on the order paper, but so far as the question in my name is concerned, it is my right to ask that it be dropped.

Mr. MACKENZIE KING: May I say to my hon. friend the leader of the opposition (Mr. Hanson) and to the house that it was I who asked the hon. member if he felt it necessary to ask this question in view of the information I gave the house yesterday with reference to the government's intentions in the matter of assisting Australia at the present time. In the first place the question is not correctly worded; it seeks to convey information rather than to obtain it, and on that score it might easily have been ruled out of order. But apart from that, unless it can be shown that there is going to be something gained by entering into matters of controversy, which should not be considered matters of controversy at all, I would not think it is in the public interest that the question should be answered. I so informed the hon. member who asked the question, and I still hold that view.

As to whether or not General Odlum made the representations indicated here I am unable to say.

Mr. HANSON (York-Sunbury): The Prime Minister can say whether he was authorized by the government to make them.

Mr. MACKENZIE KING: I think the statement here has reference to some words that were reported in connection with one of the very first interviews General Odlum gave in Australia. No doubt General Odlum was expressing what is the desire of the Canadian people, namely that where we can assist, we are anxious to do all we possibly can, though it may not be in the immediate way that may be desired, but rather in doing our part in the general assistance that is being given. To that extent he would be representing an attitude as far as Canada is concerned which would be wholly correct. But undoubtedly the high commissioner was speaking on his own at the time he made the statement.

Mr. CHURCH: Then he should be recalled before he does any more mischief.

Mr. SPEAKER: The hon. member for Winnipeg South Centre (Mr. Maybank) claims he has the right to ask that the question be dropped before any answer is given. I refer to Beauchesne's Parliamentary Rules and Forms, page 114, citation 355, which reads as follows:

Mr. Speaker Marcil ruled as follows on January 13, 1910: "In my opinion there are only two ways in which a question can be properly withdrawn when once it has been presented for answer in the house; that is, first by written notice by the member putting the question to the clerk of the house, stating that the question is withdrawn, or by the member in his place in the house informing the Speaker that he desired the question to be dropped or withdrawn."

The hon. member has so intimated to the house and to the Speaker, therefore the question is dropped.

Question dropped.

QUESTIONS PASSED AS ORDERS FOR RETURNS

PRICE CEILING—CASH AND DEFERRED PAYMENTS

Mr. MacINNIS:

1. On what grounds was the minimum cash down payment on the purchase of furniture and household goods reduced from 33⅓ per cent to 10 per cent?
2. Was the retail trade throughout Canada consulted before the change was made?
3. If so, is there statistical information available to show, (a) the number of retailers favouring the minimum cash down payment of 33⅓ per cent; (b) the number of retailers favouring the minimum cash down payment of 10 per cent; (c) the number of retailers favouring the minimum cash down payment of more than 10 per cent but less than 33⅓ per cent?
4. Why was the interest on deferred payments raised from 6 per cent to 9 per cent?

Mr. ILSLEY: Return tabled.

JAPANESE ROAD WORKERS

Mr. FRASER (Peterborough West):

What pay and allowances, if any, are being given to Japanese road workers?

CANADIAN FORCES—PAY AND ALLOWANCES

Mr. CHURCH:

1. What is the pay, sustenance allowances, and all other emoluments of officers and men of his majesty's three forces?
2. What is paid also to officers and members of the women's army?

CANADIAN FORCES—RAILWAY FARES AND MEALS ON TRAINS

Mr. CHURCH:

1. What rates or fares or tolls are charged soldiers of his majesty's forces on Canadian railways, also for meals on railway trains?
2. Is any reduction being sought herein in these rates?

MOBILIZATION—NEW BRUNSWICK FARMERS AND FARM LABOURERS

Mr. HATFIELD:

1. How many farmers and farm labourers have been called up for military training under the National Resources Mobilization Act in New Brunswick?

2. What number of farmers in New Brunswick have secured one or more postponements in the hearing of their appeals against military service?

3. How many of those called up have been placed in an inferior medical category?

4. Has the government authorized local commissions to hear and determine requests for leave by farmers who desire to return to their land during the farm work season?

5. Has the government appointed an agricultural representative on the board of review for New Brunswick? If so, who has been appointed?

EXHIBITION MILITARY TRAIN

Mr. HATFIELD:

1. What date was the exhibition military train projected?

2. At what date is it expected that the train will complete its travels?

3. What is the estimated cost of the equipment, materials and supplies used in making up the exhibition?

4. What has been the total cost for labour used in making up the train and conducting it to the different points in Canada?

5. What has been the total cost of payments made to each railway?

SALVAGING OF USED LUBRICATING OIL

Mr. FRASER (Peterborough West):

1. What attempts, if any, are being made to salvage and reclaim used lubricating oil?

2. Has the oil controller jurisdiction over such questions?

3. Has any consideration been given to prohibiting the burning or destruction of such oil?

ENLISTMENTS OF WOMEN

Mr. FRASER (Peterborough West):

What is the total number of women who have enlisted in each of the branches of the services open to them?

IMPORTS OF BANANAS

Mr. STOKES:

1. How many cargoes or part cargoes of bananas have been imported into Canada during the last six months?

2. How much space has been used for transportation of bananas on Canadian National steamships during the last six months?

3. Have any cargoes or part cargoes of bananas been dumped in Halifax or Saint John harbours on account of being over-ripe?

4. If so, what quantities?

CANADIAN FORCES—PAY AND ALLOWANCES

Mr. ROSS (St. Paul's):

1. What are the daily rates of pay and allowances in the various services of (a) the army, (b) the navy, and (c) the air force?

2. What are the separation allowances in the various services of (a) the army, (b) the navy, and (c) the air force?

[Mr. Hatfield.]

3. What are the dependents' allowances in the various services of (a) the army, (b) the navy, and (c) the air force?

COAL

PAYMENT OF SUBSIDY ON IMPORTS FROM UNITED STATES FOR DOMESTIC USE

On the orders of the day:

Mr. C. E. JOHNSTON (Bow River): I should like to bring to the attention of the government the contents of a telegram which I received to-day from the Drumheller coal operators, in regard to the subsidy which is to be paid to the importers of United States coal for domestic use. The operators and producers are very much concerned—

Some hon. MEMBERS: Order.

Mr. SPEAKER: Does the hon. gentleman consider this to be a question of urgency, which should be answered now?

Mr. JOHNSTON (Bow River): Yes, because the house is about to take recess for the Easter adjournment.

Mr. SPEAKER: If there is something about the question which requires to be answered before we reassemble I will permit the hon. member to ask it, but from what he has said up to the present this seems to be the kind of question that should be placed on the order paper.

Mr. JOHNSTON (Bow River): I think it is of great urgency, and I would ask the government why it is necessary to pay a subsidy on foreign coal imported for domestic use at this time.

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

INQUIRY OF THE MINISTRY

PROCEDURE WITH RESPECT TO QUESTIONS ON THE ORDERS OF THE DAY

On the orders of the day:

Hon. H. A. BRUCE (Parkdale): I wish to direct a question to the Prime Minister. In his speech in Montreal a few days ago Mr. Donald Gordon, chairman of the wartime prices and trade board, is reported in the press to have said:

If we are to make a realistic approach to total war, we must demand a complete inventory of our entire productive machinery.

Some hon. MEMBERS: Order.

Mr. SPEAKER: I am afraid the form of this question indicates that it should be placed upon the order paper.

SHIPBUILDING

STATEMENT AS TO SOURCE OF INFORMATION APPEARING IN "FINANCIAL POST"

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver East): A day or so ago I raised a question in the house with regard to information on shipbuilding. Now I should like to ask the Minister of Munitions and Supply if he saw the statement appearing in the *Financial Post* of March 23, in which it is stated that the information for which I asked, and which appeared in that publication was given by the officials of the Department of Munitions and Supply.

Hon. C. D. HOWE (Minister of Munitions and Supply): I have not seen that statement, but I shall make inquiries in the department, and if information is being given out I will see that it is stopped.

WAR APPROPRIATION

SUPPLEMENTARY PROVISION FOR GRANTING TO HIS MAJESTY AID FOR NATIONAL DEFENCE AND SECURITY

The house resumed from Wednesday, March 25, consideration in committee of a resolution to provide that sums not exceeding $135,000,000 be granted to his majesty for national defence and security—Mr. Ilsley—Mr. Vien in the chair.

Mr. BLACKMORE: Last night, just before we went into committee, I had intended to say a few words with respect to this resolution. Yesterday afternoon the leader of the opposition gave an interesting and rather challenging speech upon the subject of Canada's war effort; I should like to refer to one or two of the things he said.

In the first place the hon. gentleman raised the question, "Do the Canadian people realize the gravity of the war situation?" It seems to me that something needs to be said with respect to questions of this kind. It is my opinion that the people of Canada do realize how serious the war situation is, quite as fully as the members of this house do. I know, from my own personal experience, of hundreds of people who have been trying, ever since war broke out, to find something they could do to help the war effort along. Invariably they have found themselves unable to discover anything they can do. Now I would ask the leader of the opposition this question: Suppose the people of Canada did know how serious the war situation was; what could they do? Many of them have no work. What can be done by a man fifty-five years of age, for example, who cannot obtain work in industry, who cannot get the capital with which to go into any kind of private production and who, if he did go into private production, would be uncertain that he could sell his product at a remunerative price, and even uncertain that he could sell it at all? What can a man in that position do? There are tens of thousands of men in Canada over fifty-five years of age who are eager to do something to help the war along, but who are filled with a sense of frustration because they can find no outlet. If a man is unable to get work it is obvious he cannot contribute any more money than he is already contributing. What can he do? It is important at this time that the minister consider this question, so as to enable people to do more in connection with the war effort.

And now may I ask: What would the position of the leader of the opposition be? Time and again members of the official opposition rise in their places and rail against what is being done, but never once have I heard them offer a suggestion as to how the thing could be done better—not once. I ask the leader of the opposition, not in any spirit of criticism, to tell me what he conceives to be the cause of the deficiency in the war effort—granted that there is a deficiency in the war effort. Does he consider the cause to be a shortage of money? If the cause is a shortage of money, would the leader of the opposition, if he were in power, tax any more rigidly than the Minister of Finance is doing? I would ask the leader of the opposition, too, to tell the committee whether he would borrow any more money than the Minister of Finance is borrowing. And if he could not tax any more or borrow any more than the Minister of Finance is taxing and borrowing, how would he proceed to make Canada's war effort any more effective than it now is? Would he change the system under which we are labouring? The Minister of Finance has not chosen to do that to any great extent, although he is making progressive moves.

The leader of the opposition also spent some time on the question whether we should consider after-the-war conditions. It is my opinion, as one member of the house, that we could scarcely be occupied any more advantageously, either in the house or in the country, than in the discussion of after-the-war conditions. We have no right to assume we are going to lose the war; and even if we had reasonable assurance we were going to lose it we certainly should be prepared for any eventuality which would result from our winning it.

Let us suppose the war lasts six years or ten years, and we persist in trying to manage the affairs of this country in a dive-bomber age by ox-cart methods of finance and

economy. Under such circumstances what will be the effect upon our war effort? In my judgment it cannot fail to be disastrous. Therefore it would appear to be very important that we discuss some new form of economic system—in the event of our finding such a form—which will enable us to function better. The longer the war lasts the worse will be the dislocation resulting from it, and the greater will be the need for planning now to meet the distressful conditions which are likely to rush upon us as soon as the war is over.

Some people seem to have the idea that every bit of time we spend in planning for after-the-war conditions is of necessity taken away from our work in connection with the war. This is utter nonsense; just as foolish as the assumption that the time we spend in discussions in this house necessarily detracts from our war effort. I believe the Prime Minister has indicated that in his opinion there was no likelihood that the time we would spend in discussing the plebiscite would in any way detract from our war effort. Such discussions are not going to lessen the number of bolts we make, the number of aeroplanes we make, the number of cars, tanks or any other supplies or materials we make. It is not going to lessen the number of men who join up, or the rapidity with which those men learn to fight. How in the world can it mar the war effort?

The time we spend in discussing some new economic system certainly cannot impair the effort with which we wage this war, so far as taking our time or energy or the use of material or money is concerned. I maintain that we certainly should be open and ready to discuss after-the-war conditions so that we may be prepared to go out and meet new situations when they come.

It is my feeling that we must change our order. I am not going to speak in detail on that point. We simply must change the system under which we labour. We must do it, first of all, to get maximum production. We must do it if we are to maintain the health of our people. We must do it if we are to maintain the morale of our people. We must do it if within six or seven years we are to avoid economic or financial collapse. Why not go out and meet these changes before they get to us?

May I draw the attention of hon. members to some conditions which exist to-day under the present system, after more than two years of war. I wish to refer to a passage in an editorial appearing in the *Western Producer*.

[Mr. Blackmore.]

The periodical is commenting on the observations of Mr. Grant Dexter; in the editorial that writer's words are quoted in part. The editorial runs as follows:

> But nowhere has Mr. Howe been given authority to organize total war production. The total of our output to-day therefore is the total of orders placed for our own fighting services and for allied governments. Mr. Howe, it appears, has sometimes taken chances.

And then, quoting Mr. Grant Dexter, it continues:

> It is an old story at Ottawa that the general staff hesitate to order more than is needed to meet the immediate requirements. Where the generals or admirals have asked for 100, he, Mr. Howe, has ordered 10,000. But in so doing he has been taking chances and no minister however courageous would go too far out on the limb.

Again, quoting the words of the *Western Producer:*

> May we ask: What are the general staff and even the minister afraid of? Is it Mr. Ilsley? Is the dead hand of treasury control having the same paralyzing effect here as in Britain?

I am going to ask the minister himself the question asked by the *Western Producer:* Is this uncertainty, this failure to use our war production capacity to the limit, this failure to do many other things which we ought to do—is this because of Mr. Ilsley? I believe my question has a direct bearing on the appropriation of $135,000,000 now under consideration, because that is the amount of money to be voted to help pay for what has already been done. The matters we are now discussing are the result of what has already passed. If Mr. Ilsley is the cause of the uncertainty, then it seems to me that fact ought to be made known. And if Mr. Ilsley is in difficulty which he cannot overcome, I say he should take us into his confidence and at least to some extent tell us what his difficulties are, so that we may set about trying to find some way of overcoming them. Otherwise I fail to see how he can possibly be conducting the financial affairs of this country as he ought to be conducting them, in this third year of the war.

I should like now for a moment or two to refer to the Prime Minister's speech made within the last two or three days with respect to the mobilization of man-power. He said things which scare the ordinary person in Canada as regards the way in which he is going to mobilize man-power and woman-power. No one objects to a complete mobilization of man-power and woman-power, but there are many persons in Canada who greatly fear lest some women or some young men shall be

mobilized and put into their jobs. In order to indicate that what I am saying is not entirely without foundation in fact, may I refer to a statement which appeared in the Ottawa *Citizen* of March 25 under the heading "Mr. M.P." I think I will read this passage. I believe the people of the future would like to know that statements like this did appear in our newspapers as paid advertisements on March 25, 1942, when Canada was supposed to be engaged in an all-out war effort. The statement reads:

Thousands of Autoworkers are Jobless or Facing Unemployment.

What are we going to do about it?

You are assembled now in parliament to bring about the most completely effective all-out war effort. Your job is to adopt a programme which will translate the words of Prime Minister Churchill: "Give us the tools and we will finish the job!" into terms that will smash the axis. As Canadian autoworkers we are trying our best to do this job which rests jointly on industry and labour.

But we have found that the job is not being done in the manner which is vital to victory over the axis. In fact, we are so appalled at the mismanagement and continuing blunders in the battle of production that we feel that they must be brought to your attention. We believe that if you are made aware of the facts, you will act as duly elected representatives of the people to see that the deplorable state of affairs existing for many months in the automotive industry is brought to a swift end. Otherwise we face disaster.

Understand—not just remember—Hong Kong and Singapore!

You like all of us, know what happened to Hong Kong and Singapore. We were told that Hong Kong was "well in hand." We were told that Singapore was "well in hand." We are being told that Australia is "well in hand."

But Australia may well go the way of these other bastions of democracy if we do not act quickly. You, Mr. M.P., and the Canadian people must see that it does not happen again. But there is a danger that it can tragically happen unless you learn the truth in time. The truth was hidden from the French people and the republic fell. That should be a lesson to us.

700 G.M. workers have been laid off in Oshawa.

1,500 Chrysler workers will be laid off in Windsor.

2,000 other Ontario automotive workers will be idle.

Idle men and idle machines do not make total war.

Seven hundred skilled autoworkers have been laid off in the General Motors plant at Oshawa and they will be jobless for several months while Australia calls for tools. Thousands of autoworkers in the same plant are working on an average only 30 hours a week producing military trucks which could be used to aid our allies in Russia and other parts of the world when the impending spring offensive begins. Fifteen hundred Chrysler workers and an estimated two thousand other autoworkers in Ontario face similar lay-offs for several months.

We ask why aren't they working 40, 50, 60 or as many hours weekly as their physical condition permits? We ask why the machines are not working 168 hours weekly producing the tools that Churchill has asked for in the name of the British, Australians, Russians, Chinese and all the peoples of the united nations?

We believe that once you know these facts you will ask the responsible officials of the various departments why these conditions continue to exist, stalling the war effort through idle machines and idle men.

I desist from reading for a minute or two to comment that it has been my impression, gathered from all the information I have gained from men who seem to be in a position to know concerning industry all over this dominion, that a condition similar to that here complained of exists everywhere in this country. Now, if a condition similar to what these men depict obtains throughout this dominion, how on earth can we say that we have an all-out war effort? As the *Western Producer* asks, whose fault is it? Is it the fault of the Minister of Finance? If it is not his fault, then whose is it? I go on with the statement:

Floor show automotive displays do not make total war.

We agree with Hon. C. D. Howe, Minister of Munitions and Supply, in his public statement last week, that Canada can supply all the military vehicles the united nations can use. We agree that it can be done but it is not being done. Why?

It has been my conviction that Canada could produce all the automotive vehicles that the united nations need. Yet in all probability we lost Hong Kong because of a shortage of such vehicles; with such vehicles we could perhaps have saved Singapore, and if there were in Australia at the present time a sufficient number of tanks and automotive vehicles, I think there would be no anxiety in the hearts of Australians as to their ability to throw off the Japanese attack. Yet the vehicles are not there. They were not in Singapore and they were not in Hong Kong. Here we are in this parliament ready to do anything the Minister of Finance asks, and yet we are unable to get the results we desire. I submit that this is one of the most astonishing situations ever faced by any group of legislators in the history of the world. If the minister had asked us for three billion dollars as a war appropriation, we would have granted it to him just as readily as we shall grant him two billion dollars. If he had asked for six billion dollars, we would have granted it, and it could have been granted. But he has asked for two billion dollars. Last year he asked

for a certain amount of money and we granted it to him. All we asked was that he use it in such a way as to bring about a total war effort for Canada. Why is it that we cannot get results in this house? I go on:

We agree with Hon. Humphrey Mitchell, Minister of Labour, that this war will not be won with typewriters.

Neither will it be won with the floor show displays in the automotive industry in which men are hastily put on military work on occasions when His Royal Highness, the Duke of Kent, the Governor General or Lieut.-General A. G. L. McNaughton, commander of the Canadian forces overseas, visit these plants on tours of inspection. We are happy to have them visit our work shops to lend encouragement to the men on the machines but we would rather have them see an all-out war effort than an artificial pretence at one.

There is getting abroad throughout Canada, in every hamlet, in every street and in every tavern, the idea that the fine pictures we see representing Canada's all-out war effort, those fine radio programmes that we hear and which seem to indicate a feverish degree of activity on the part of the workers, are largely artificial and created to produce a particular effect. In other words the Canadian people as a whole are being deceived on a tremendous scale, a scale unprecedented in the history of mankind. I go on:

Who allows such conditions to continue?

It is a shocking picture and we believe you and the Canadian people should be made aware of it. We believe that, knowing the facts, you will act to stop the imperilling of our war effort without any further delay.

We have tried to correct this situation for many months. We have studied the situation thoroughly—and who knows better the existing conditions than autoworkers in these plants?—and made suggestions to no avail. We are still waiting for a conference to discuss this situation with the Department of Munitions and Supply and Mr. J. H. Berry, controller of the automotive industry.

We don't claim to know all there is to know about the problem but we believe it is time that common sense was exercised and industry and labour sat down together to pool their ideas. No one group in the nation is the repository of the brains and brawn that will guarantee a total war effort. They have realized that such conferences are imperative in Great Britain, Australia and the United States if the united nations are to win the war. Who is standing in the way of such labour management conferences in Canada? We have a right to know. You have a right to know.

I think no comment is necessary on that passage. I am going to read another one:

"Let bitterness and discontent get into the hearts of my workers, and, by God, we've lost the war."

That was the statement made by Hon. Ernest Bevin, Britain's Minister of Labour, who is charged with the responsibility of obtaining maximum production. The same is true of any of the nations where free men are working to drive the nazi menace from the earth. But it is not helpful to their morale to be piddling around at war work. It is not helpful to their morale to be working part time on army trucks when they have been told that every minute, every hour, every day counts.

It is not helpful to their morale after helping to put the victory loan drive over the top to be working short time. It is not helpful to their morale to be thrown on the streets without being eligible for unemployment insurance because they have not worked the maximum 180 days. They want to know what is going to be done about it, Mr. M.P.

I had intended to speak of conditions in Britain, but I find I shall not have time. But I do say that people are going to lose confidence completely in members of parliament. Before I close I wish to refer to what was said by the hon. member for Parkdale (Mr. Bruce) the other night, but meanwhile I will finish reading this advertisement. It goes on:

How can members of parliament guarantee total war?

That is the question I ask and every hon. member wants to ask and wants answered. It goes on:

If parliament is to represent the will of the people as it should, you can act to remedy this situation without delay. It is your responsibility to ask those who carry out your will why these conditions we have described only in part continue to exist. You can see that they are stopped. You can see that labour-management conferences are called to end this bottleneck in democracy's arsenal. And we will do our part.

Ontario Locals
of the
United Automobile Workers
of America C.I.O.

Affiliated to the Canadian Congress of Labour
Oshawa St. Catharines Windsor Brantford
Merritton

As I said a while ago, this merely indicates a condition prevailing in virtually every industry in the Dominion of Canada, whether it be engaged in producing food, shelter, clothing, or munitions of war. That is a serious statement, but I am positive that if all the facts were brought to light they would establish the truth of what I have said. The mere fact, as the leader of the opposition, I think it was, pointed out yesterday, that we had a national registration in the fall of 1940, which apparently has not so far been used either to determine the extent of our man-power or to put that man-power to work, is I believe one of the greatest condemnations conceivable of this government. And then to think that, without having used the national registration, we should now be contemplating another national registration, and that the Prime Minister should have issued a statement about mobilizing all our man-power

when he has not taken steps to use the manpower we do know about—the whole thing is so grotesque that it strikes one almost speechless.

I am going to suggest that the government should immediately begin to cooperate with the labouring men; that it should call a round-table council in which the representatives of the men, the representatives of industry and representatives of the government shall get together and make known the actual conditions which exist in any and every industry in the country. I would hesitate to state on the floor of the house at this time some of the things which I have had brought to my attention respecting the conditions of unemployment and inactivity which exist in a good many of our plants. It is such that it simply makes one sick to think of it.

I am going to put once more to the leader of the opposition this question: If he and his party were in power in Canada to-day what would they do to change these conditions?

Mr. HANSON (York-Sunbury): I would put the men to work.

Mr. BLACKMORE: How would you do it?

Mr. HANSON (York-Sunbury): Give me a chance and I will show you.

Mr. BLACKMORE: The present Prime Minister of Canada used to talk in exactly the same way when he was in opposition, and the night after his election his glorious outburst of enthusiastic promises and resolves was enough to raise us up into a condition of ecstasy.

Mr. HANSON (York-Sunbury): I have his words right here; I carry them with me.

Mr. BLACKMORE: Well, I am going to get a copy of them; I want to frame them. But the fact that the Prime Minister made such glowing promises and such confident forecasts at that time, and then made such a dismal failure of his whole effort, suggests that perhaps the leader of the opposition might not know how to improve matters any better than the leader of the government.

Mr. HANSON (York-Sunbury): Oh no, no.

Mr. BLACKMORE: I want to be shown. I want some indication as to how he would manage differently. I believe the people of Canada have heard talk enough about what their leaders are going to do without hearing how they are going to do it.

I am going to lay this principle down to see whether the leader of the opposition and the leader of the government agree with it: Will the leader of the opposition agree that what is physically possible can be made financially possible?

Mr. JOHNSTON (Bow River): Get an answer.

Mr. HANSON (York-Sunbury): An academic question.

Mr. BLACKMORE: If we can all agree such can be done, then we shall be ready to go forward. I say it can be done. I do not wish to obtrude upon the house my ideas as to how things can be better managed, but at least I have some ideas as to how conditions can be improved. My contention is that the government has no ideas as to how to manage better and has no intention of making any fundamental changes.

Mr. BOUCHER: Would you also ask, if it was spiritually possible?

Mr. BLACKMORE: I do not know that it is necessary to go into the spiritual realm. I always feel safer in the physical.

Mr. COLDWELL: So do a good many other people.

Mr. BLACKMORE: Yes. If the leader of the opposition cannot show me how he would govern the country better, he really ought to go about finding out how.

The Prime Minister in one of his speeches, if I recall correctly—he has made so many that I cannot remember them all—has stated that what is physically possible would be made financially possible. But afterwards in one of his characteristic evasions he explained it all away, just as he did his undertaking in 1935 to issue currency and credit in terms of public need. When he got into power he showed that he had an altogether different idea from the commonly accepted meaning of the expression.

Mr. HANSON (York-Sunbury): Did the hon. member really believe that the Prime Minister was going to do anything like that?

Mr. JOHNSTON (Bow River): The hon. gentleman is not imputing motives, is he?

Mr. HANSON (York-Sunbury): I never believed it and I do not believe it now.

Mr. BLACKMORE: I am not saying that I would believe it, but I would hate to disbelieve it. The point I am making is that the Prime Minister in 1935 used an expression which was commonly being used throughout the country, and as a result of his using it he deceived tens of thousands of people into voting for him, believing as they did that he would do what he said he was going to do.

Then about a year or a year and a half after he had got into power he said in the house that all he had ever intended to do in that respect was exactly what Canada had been doing for the previous twenty years. To regard currency and credit in terms of public need as meaning the amount of credit that people would borrow and the amount of currency that was necessary to back the borrowings is so far away from what currency and credit in terms of public need really means that it is shameful to use the expression to describe the process. Our present system is based on the idea that the money a nation can have is only the amount of money which people will borrow. What the farmers will borrow to raise hogs, what the woollen manufacturers will borrow to manufacture cloth, what the wholesalers will borrow in order to distribute, et cetera—that is supposed to be public need. In an age of plenty, the amount of money which producers will and can borrow for production falls altogether short of public need.

It is right there, in that respect, that the change in monetary management has to take place. The governments and the people who are going to manage the countries of the future must know that money, from this time forward, must be issued not only as debt-money, for production, but also as debt-free money, for consumption. The minute that fact is acknowledged we shall begin to understand how a new order can be set up.

I should like the leader of the opposition to tell us by and by, after he has thought it over, whether he actually thinks that what is physically possible can be also financially possible. If he actually does, we shall have a basis on which to work.

Before I close, I would observe that the amount of money which a nation can have depends on the goods and services, producing and consuming power of the nation, and only on that; and that the money shall be issued not only for production but for consumption, not only as debt money but as debt-free money. Once that is granted, then we shall begin to see how it is that what is physically possible can be made financially possible.

If the Minister of Finance were managing a new system based on that new conception, with the skill, energy and intelligence with which he is administering the present system, he would perform miracles in Canada—miracles of production. He would not have to be offended by advertisements such as the one I have read. He would not have to come here and hear the Minister of Agriculture (Mr. Gardiner) say that we had gone as far as we possibly could in giving the farmers a good price, that we have taken every dollar out of the treasury which we can possibly spare. He would realize that the amount we can give to the farmers depends upon our power to produce lumber, coal, butter, milk and cream, fruit and vegetables and other commodities; upon the doctors ready to look after the people, upon the dentists, and others who serve. He would understand that Canada's production of goods and services is what determines the amount which she can pay for wheat and other primary products; not the amount of money the minister can borrow from banks or from any other source, or the amount which he can tax from the people. He would know then how to make what is physically possible financially possible.

Mr. CHURCH: The desire has been expressed by my leader that these bills should pass to-day and I have no intention of holding up their passage, but I want to mention a few matters which hon. members have not had an opportunity of discussing during this session. There are some questions which we have a right to discuss and with regard to which we have not been given any information since the war started, of adopting measures for the better protection of the soldiers who serve us overseas or in the three forces, questions such as high cost of living bonus, better pay, national insurance, free railway fares, and leave. In the first place, the House of Commons has completely lost control over expenditures. Where is the auditor general while all this is going on? The last budget which the minister presented was for $1,300,000,000 and now he wants another overdraft of $135,000,000, making for the last year, $1,435,000,000. I have a great deal of sympathy for the minister. He has sat here day in and day out and has devoted himself to his duties and the opposition as a whole has given the government good, independent support. True, there has been criticism, but there has not been enough, our friends back home tell us. The Conservative party secured very nearly half the vote in the last election and we have constituents to represent, and to do our duty and perform our function efficiently as an opposition in a great peril like this war.

Parliament fought for over a hundred years to get control over expenditures in England. There is not one word in the main or other estimates, I would point out to the minister, in regard to matters relating to the war, the price ceiling, grain and so on, and it is difficult to ascertain what the exact state of affairs on our budget for the war really is. I suggest that the public accounts committee should meet and go into these matters. For next year the government is war budgeting for

$2,200,000,000, which is an increase over last year of about 50 per cent. I do not intend to speak now for more than about fifteen minutes in connection with all these bills, but I suggest that in the recess something should be done to give to the House of Commons that control which it should have over the budget, whether it be in connection with the war or for civilian purposes. Such control is exercised in the old country. There, there is a committee on national expenditures meeting nearly all year, which goes over every dollar of expenditures and every voucher, and coordinates all war effort. We have nothing of that sort. I believe it would be a good thing for us to follow their example. In the British House of Commons certain modern rules are followed which make for expeditious dispatch of business. I support all the rulings of His Honour the respected Speaker, and I support your rulings too, Mr. Chairman. I always pay tribute to the chair and you, sir, also, but I would urge that in the recess the government might take into consideration certain new rules which I shall suggest. I will send copies to the leaders. They can compare the British rules with ours. I think that our standing orders should be amended in accordance with the paragraphs I am going to read.

In a book on parliamentary procedure, 1930, published by G. F. M. Campion, Second Clerk Assistant of the British House Commons—he is now clerk and has been knighted—I read the following:

> Not later than three o'clock the question hour begins. This is a more important item of business than any yet described. It is expected to provide lively moments and seems to be of unfailing interest to members and the public. It is modern and affords a useful method of supervising the administration of the government. Its effectiveness is generally recognized. Questions 'turn a searchlight upon every corner of the public service.' (Lowell, i. 332.) Their chief object is 'the explanation to the public of the meaning of political events', and 'they are often arranged by the government itself, so as to give them an opportunity of making announcements in a somewhat informal way.' (Redlich, ii. 241 and 242). They are 'serviceable as obviating the necessity in many instances of more extended debate and of motions for papers.' (Todd, 1982, ii. 85). And finally, 'Questions afford to the private member under modern conditions almost his only opportunity.' (Marriott, i. 571).

I suggest that our standing order 1, relating to procedure in unprovided cases, should provide that the customs of the British house shall govern. In my opinion, although there is some doubt whether amendment is necessary, this should be considered by the government and by the officers of the house and the three parties.

I wish to speak about two or three other matters relating to the soldier question. We are now at the forty-fifth day of the session. The hon. member who preceded me (Mr. Blackmore) said that a debate on the functions of money and the basis of credit is not wasted. He has the right to urge it, but it is a purely domestic question. I contend that the war is primary and should take precedence till it is won. I have been here since the session started, and I have never had an opportunity of mentioning the five or six soldier matters to which I wish to refer but which I will not discuss. As I said last night after 6 o'clock, primary matters should have first consideration in war time and domestic matters wait over. What is the good of talking about changes in our economic system if the war is not won? Life then will not be worth living; there will be no such thing as the price of wheat or the price of anything; everyone will be a slave. We have been here forty-five days and it is almost impossible to get in a few words on behalf of those who are fighting for us. These domestic questions have taken all the time—the plebiscite, the price of wheat, and other local matters.

We are going to have another registry. How many registrations have we had? In 1938, 1939 and 1940 I proposed a national registration of man-power, industrial power, food power and economic power; also a survey of every large and small industry. I urged that about thirty times but it was not adopted. Now we have about six different counts or registers all over again; first the census—and where is all that information to-day? It is not tabulated in such a way as to be of use in the war. Then we had a costly national registration on a huge scale, not worth much so far. My proposal was for a real selective national register two years before the war for security and war and defence purposes, because I saw the war coming and urged this. Now we have another proposed registration of man-power and matters like that by the new Minister of Labour, all over again, which will end in overlapping and doubt and more muddle. I do not believe the new registration to be taken by the Minister of Labour will help our war effort one iota. It is just a duplication and waste of money, because they have all that information already, but it is not tabulated in such a way as to be of use, so a third count is now on in this third war year. Why are all these different people interfering with business and industry and labour so that no man can conduct his own affairs with all these counts so costly and useless? Now they propose to exempt farmers and their sons and help altogether; yet we have never known how many there are available, and we are about the only country in the

world in which agricultural workers are entirely exempted from military service. How can we win the war when 70 per cent of our population are exempt? In the last war many farmers' sons in Ontario did not want exemption, and they are not asking for it now. The government has information through those registrations as to the number of farmers' sons who have left the farms and gone to the cities and taken jobs in war and munitions industry, some at $10 or $15 a day with overtime, while the soldiers are fighting for $1.30 a day. Is that fair? Is that the way to beat Hitler? It is not, with these wholesale exemptions of numerous classes. Man-power overseas alone will win the war, not home defence.

This new survey of the Minister of Labour will be a muddle and a sad mistake and a waste of time and will cause endless delays. It is a mistake to exempt farmers. The government have listened to the clamour and agitation of a number of hon. members to do so. There is no scarcity of wheat and grain; in fact there is a large surplus in the world, over 1,500,000,000 bushels, a drug at present on the world's markets. When we have this overproduction why put more men on the land to let them escape military duty? City men are no good on the land. What use would the leader of the opposition or myself or the leader of the house be to-day on the farm? I doubt if we could ride a horse now without falling off. What good would that achieve for farm production or city men as a rule? The thing is ridiculous.

I am asking for better protection for soldiers' dependents, and I ask the two parties to my left for their support. They are asking for $1.41 as a parity price or one dollar for wheat; the soldier is working for $1.30 a day, twenty-four hours a day overseas. Some of them are suffering untold privation on land and sea and in the air and will lose life itself, and they are getting 11 cents a day less than the price asked for a bushel of wheat. I have urged this matter in this house until I am sick of urging it. Some of the ministers, like myself, did not go to the last war. Some of us could not go; I am not here to criticize anyone; I want to be fair, but I was keenly disappointed at the lack of consideration which the Minister of Finance and other hon. gentlemen opposite gave to an application by the soldiers' dependents in this country for a cost-of-living bonus. They have to pay the same prices for groceries and fuel as others do, and I say it was a very hard-hearted answer that was given them by the Minister of Finance. He followed me in the debate on March 4, I think, and replied, opposing this bonus, that as for paying the poor women at home a cost-of-living bonus, it could not be done. Here we are appropriating these billions of dollars, yet we have not a few cents for the dependents of the soldiers fighting for us and serving overseas. I could take the minister into homes in my own constituency and all over the Toronto district where the dependents cannot live on the pay, with several children, and the soldier's wife has to go out to work or washing in many cases in order to buy a ton of coal or help maintain the home fires. Such a condition is a disgrace, and history will criticize us and condemn this parliament for wasting forty-five days discussing purely domestic questions like a plebiscite and other matters, while conditions of the kind exist. I protest against it. I am sick and tired of it with war matters in the background. We can make no headway here on primary, but only on secondary matters; we might just as well go home, because the executive rules. The executive passed 26,000 orders in council, and goodness knows what the deficits will be next year when we have such a huge one for the end of this year, March 31.

I stood in front of the Chateau Laurier the other day and watched able-bodied uniformed men in the pay of the government, some officers in cars, some of whom have never been in this war or the last, and they have able-bodied young soldiers driving them round the city.

Another question I have raised is with regard to a national system of soldiers' insurance. On every soldier the cost would be little. No reply has been given concerning that. If you ask the government about it they simply say that it is a matter of policy and that any announcement will be made in due course. We have been told that three or four times, the past two years in succession.

The question has been raised of free transportation for soldiers. I travel in only one province, though before I was a member at one time I travelled quite a bit. But when I see some of the luxurious cars occupied by those engaged in sports and for conventions and theatre and Hollywood people, and then see the cars occupied by the soldiers who are going over to fight this war for us, I protest, and I ask for a change by the railways and better accommodation for the aid parliament gives them. I do not think the present system in regard to soldiers' fares and meals on trains is fair. Here we are asked to vote a post-mortem, as it were, because we cannot strike off one cent of the $135 million or the other votes.

Another question is the housing problem. In 1934 and 1935 the construction trade was

almost down and out. In January, 1935, I moved for a committee on housing. One was appointed a little later on, and on the basis of the report of that committee the new and present government, in 1936 and 1937, did good work, bringing about the spending of some $72,000,000 to date in connection with small housing construction. May 1 is almost here again; civilians and soldiers alike are being turned out of their houses, and I would ask that the old housing administration's policy of the last four years be continued at least until a year after the war.

Some time ago, just after the present Minister of National Defence took office, I offered a suggestion which I want to renew to-day. I greatly sympathize with anyone who has to carry in that department the burdens of government in these war days; but I believe in British Columbia, in the maritimes, in the St. Lawrence ports and elsewhere, in cooperation with school boards, provinces and municipalities, an attempt should be made to teach every man, woman and child to handle a rifle. That was done in Norway and Finland, and those people put up a great home battle. British Columbia will not be able to do so well, I am afraid. In Finland and Norway they had miniature ranges, where the people were taught to shoot, and as a result great numbers of invading Germans were destroyed. It is true that we have no army rifles to spare at the moment, but we could provide miniature rifles and ranges and give instruction to all the people in these vulnerable named areas.

Before the Easter adjournment I think the government would be well advised to give us further information with regard to shipping losses in the Atlantic. I am only going to mention the matter; I do not want to discuss it. The losses in men and tonnage have been appalling from the lack of bases in Eire. We are at times losing more ships than we are able to turn out. Shipping should have first priority, not only in Canada but in all the united allied nations, and I think something should be done in this connection. The same thing applies in the Pacific. I am sorry we cannot give more help to Australia, and I cannot help feeling that in some ways we did not do our duty toward that country before war started or at the imperial conference of 1937 and after it. We should have joined in an empire shipbuilding policy, such as was proposed in 1937, a grant to the Singapore base and adopted the Jellicoe report. I give the government credit; they have done well in many ways, but my point is that we have done only about one-third of what we should do and we have not yet done enough for a total war effort. I believe also that we should recognize General de Gaulle, who has taken action in the approaches to the St. Lawrence at St. Pierre and Miquelon, to keep enemy submarines, lurking there to destroy our ships, away from our cargo and troop ships. Then I would abolish the censorship of the press; and, if the Minister of Labour is going to take over the duties in regard to industry which were announced the other day, there would be no further necessity for the Department of National War Services. It would only be duplication; the unemployment insurance department and the three war departments could do some of it.

I disagree with the theory that the farm is our first line of defence. The first line of defence of Canada in man-power, and our only defence, is overseas; and if that falls all our home defence will not amount to anything. The defence of Canada is not and will not be decided in Vancouver, Halifax, Saint John, Quebec or Montreal; it is being decided overseas and in the battle of the Atlantic, the Pacific, Africa and the far east; and if that line of defence fails, the enemy will be here in Canada in no time and home defence will not amount to much. Why, even if we had a million men we could not do anything in the Pacific, as Mr. Churchill has said, because Japan has command of the whole Pacific ocean, north and south, and her ships can roam like a circus wherever they please, for 15,000 miles among the Pacific islands. How can we stop her? We were offered three or four destroyers and cruisers by the British government in 1937 and urged by Jellicoe to get more, but because of our pacifist sentiments we did not accept the offer to rearm before it was too late, since we depended solely on America's aid in the Pacific.

I think it was a mistake for Admiral Jones and Canada's navy heads, to make the statement they did make in this city to press men the day before yesterday. As head of an important branch of our naval service, that so-called silent arm of the services, he summoned the press and gave them an interview. Surely that is not in the tradition of the silent service. I believe it was a mistake to make that information available to Japan and Germany, who have their agents all over Canada and know our plans. Such talk will hurt us. This incident reminds me of the situation which arose between the two admirals in Halifax not long ago. Under the statute of Westminster the British fleet cannot come closer to our shores than the three-mile limit; they cannot get into Halifax or Victoria, and I think that is one of the greatest mistakes we ever made, because we owe our protection to the British fleet. I predicted in 1937 and 1938, if war came, we faced the possibility of the invasion of the St. Lawrence then.

I should like to refer to what is going on in connection with competitive industry in this country. It will be noticed that the amount covered by this resolution has to do with a number of civilian departments which apparently had overdrawn their appropriation in the $135 million. A list of these departments is shown at page 1556 of *Hansard,* in the breakdown given there, and among them is the Department of External Affairs. Before the war we spent a great deal of money through this department to establish high commissioners and legations all over the world, and I think that was another great mistake because it divided Britain's representation status. We had at our disposal our representatives in these places, our trade commissioners, and it was a most mischievous policy to follow, fatal in war and of little value in peace. The war has cleared some of them up.

In conclusion, may I say that "never were there so many who knew so little about so much"; and I am referring to the speech by Mr. Gordon in which he told the people of Canada, on behalf of the government, what they should expect and the abolition of all competitive business. All these announcements in the newspapers and speeches over the radio show that Mr. Gordon is acting as a sounding board for the government. Why, even the House of Commons has not been consulted about these changes in our economic system although in session, nor told a thing about it. Our friends to my left have been talking about our economic system and our domestic matters for forty-six days this session, but it was the old competitive system that built up this country in the days of Macdonald and Laurier when everyone owned a small property. It was that system of thrift, with the right fundamentally to possess private property, that made this country and the dominions rich and prosperous. That is the fundamental basis and principle of all sound finance and commerce the empire over. I am not one of those who want to live in the past. I want to rewrite it to meet modern conditions and bring it up to date, because we are entering upon a new world. I have always been a friend of labour consistently, but I would say that the right to possess private property is derived from nature, not from man, and the state has no right to abolish it, but only to regulate its use.

People are wondering what this House of Commons is for, and what minister of the crown is responsible to parliament for all the ins and outs of this wartime prices and trade board and all their controllers and legion of officials. Is all competitive industry to die and wither away, as Mr. Gordon says, over our heads? Is everybody to become an employee of the government, under national ownership, with every worker on a farm to receive $15 a week? The small business man might just as well close up and go out of business; the retail trade of Toronto might just as well quit because no independent private business man can function and make a living. I do not believe in that system, with all the artificial barriers, burdens and restraints put on him. At the beginning of the war, and up to 1941 the old policy was maintained, "no commitments; parliament will decide," but now that has gone to the archives, following all the announcements that have been made by these various people, and bureaucratic czars over the head of parliament. The public will agree to any regulation so long as they know it is helping the war effort, but a great many of these things have no relation to the war at all. In those cases we should have something to say, I believe.

I am free to admit that so far as such necessities of life as food, clothing, fuel and many other domestic things are concerned, some regulation may be quite necessary, and the public will agree to it if necessary and are glad to comply for the sake of the war. But that is not the case in connection with many other commodities, and the rationalization and streamlining, zoning policy made nationally in everything, with bonuses and subsidies as well will lead to untold abuses and no one knows at what cost.

No doubt war production should have priority, but there are very few walks of life to-day which are not supervised or directed by some department of state at Ottawa. Canada is fighting this war with Britain as her leader for two real objects—to keep Britain, the dominions and our allies free, and to see that Canada and Britain may enjoy prosperity. If Germany were to win we would lose our freedom; they would grind us as slaves to the earth. If Germany wins, still more bureaucrats will be here, and our freedom will wither away and life will not be worth living. This new belated plan of controlling everything, this heterogeneous device with respect to man-power threatens our economic and commercial and trade freedom. It will not half of it, help the winning of the war or help one iota to beat Hitler, or assist in bringing about a total war effort It will only cause, like the new registration, more muddle, confusion, waste, duplication of services, coma, doubt, inertia, vacuum and expense, and in the end national bankruptcy. There will no doubt be a complicated duplication and multiplication

of numerous new boards to ruin retail and small business and our industries, and in the end cause unemployment.

The new plan of exemptions eliminates about 70 per cent of the population from military service altogether. It will lead to a muddle in man-power, hurt our army, navy and air force, and cause confusion in trade and industry. Industry does not yet know what it is or where it will lead to. Is the war policy of the government to be that the government is to control and administer every walk of life and almost every article or commodity of trade and commerce, and all competitive business? If so, it will lead this country to disaster and, in my opinion, sooner or later, national bankruptcy. It will not help the war effort and they will try to continue it after the war on international grounds. In England an act has been passed to restore former trade practices as before the war. One should be passed here.

New departments are being created all along the line. May I point out, too, that I am sick and tired of all these orders in council by officials and registrars in the making, who have never had to deal in business with masses of men, or to shoulder any responsibility, or even to take any risks or serve in a competitive calling, but are merely theorists. They tell us of brave new worlds to conquer and to come; and if we were to follow them we would invite and bring nearer in Canada decay, ruin, stagnation, economic slavery, ruined enterprises both large and small, closed factories, and no work for our people. It will all end in doom for all competitive business, with a mighty host and a large standing army of inspectors, examiners, dreamers, supervisors and registrars, regulators, clerks, stenographers, card-filing officials and stamp clerks. It would be a mere nepotist army, also, the way these boards have selected all their people. Many of these new departments have more than one of the same family on their payrolls. The fact that we are at war and are in desperate need is no good reason why some of these matters should be adopted but not be discussed. We should be less ready, as a House of Commons, to tolerate any method which is not meant to win the war. When we know that seventy-five per cent of them do not help at all in winning the war, then we ought to object to them, and insist that when parliament is meeting this is the place to announce them.

The system which has been introduced supplants courageous leadership and courageous business men, most of whom by a small start got a good small or large business together. But these new departments by dilatory methods and aim are going round in a circle, and the adoption of cumbersome routine, will fundamentally destroy Canada in time and not help win the war. It is likely, however, that the new condition will want to continue in business after the war is over. Those new boards are going to find some excuse to continue after the war, but in England they are checked by the act passed to restore pre-war trade practices to aid trade.

For three or four centuries Britain has proved that free men and free enterprise would lead, the world over, and this made her not only the mart of all the world but the leader in trade and commerce. Now we are asked by dreamers, theorists and officials to surrender it all; we are asked to surrender it for new plans and new schemes impossible of fulfilment. I can say to the minister and to some of his deputies that a good deal of this has been introduced by theorists who never had any dealings in any Canadian competitive business. They were imbued with new-found, socialist ideas, or whatever they were. They do not understand cause and effect of those theories on retail and wholesale business or on any business, and will hurt labour and its best national interests. It is a design which will ruin our system which made British and empire trade. The press and members of parliament to-day have come to the point where they should do something to combat this condition and insist on parliamentary control over it or a discussion here. I will admit that much has been done by some of these boards to keep down some well-needed prices. That procedure may have been all right. But to put a ceiling over all prices by subsidies for some, not others, and to abolish competition, something upon which the two older political parties have based their whole history, and upon which the economic trade and commercial history of this country is based, and to destroy it over our heads is not a proper procedure. The older parties in Canada have always encouraged private independent business; surely they would be sorry to see it go. If it passes away, then I say we shall be in just as bad a position as Germany—a nation run by bureaucrats, something we are fighting in this war for freedom of everything and to make our country have proper security for its people and work for our people under a new deal worth living for; for everyone.

Mr. GILLIS: Mr. Chairman, I have been waiting for the floor since yesterday afternoon and, while I have no desire to hold up the progress of the resolution, I should like to

speak at this time. Had hon. members to my right carried out the wishes of the Minister of Finance in dealing with this measure to-day, so far as I am concerned I would have foregone the right to say anything. Nevertheless there are some matters which I believe should be discussed, and in dealing with them I shall be brief, abrupt and to the point. Incidentally may I say that sitting here as I do five days of the week it irritates me to hear someone who ordinarily spends two days in the house to get himself on record, and the rest of the time in Toronto, talk about wasting time.

With respect to the question of selective service, we have stated many times in the house that there is a good deal of merit in that method of organizing industry, in view of the setting in which we find ourselves to-day. But we have also expressed the view that if that system is to be effective, and if it is to do the job it aims to do, those who are to be regimented under it must have some say in the control set-up.

Mr. HANSON (York-Sunbury): They should not be chattels.

Mr. GILLIS: That is right. If the government is desirous of making effective their selective service system, the thing they should do first and foremost is to make the recognition of collective bargaining obligatory on the part of the operators. If that is not done I see a stormy road ahead for those who are charged with the responsibility of organizing industry and man-power on a selective basis.

Mr. HANSON (York-Sunbury): There is a threat.

Mr. GILLIS: I merely express that opinion. I will make no criticism of the system proposed until such time as we have seen it tried out. But I do insist that what I have suggested should be carried out. So far there has been no mention of any representative of those who will be regimented under the controls being set up.

I should like briefly to bring the coal situation to the attention of the government. Earlier in the afternoon the hon. member for Bow River (Mr. Johnston) read a telegram which stated that United States coal imported into Canada for domestic purposes is being subsidized. I understand the duty has been taken off. I do not know whether the statement contained in the telegram is correct, but if it is, there is something radically wrong with our fuel control. I know that in Nova Scotia mines are closing. I believe this is a matter of public concern at the present time. I received a telegram this morning stating that a mine operated in Inverness by the provincial government, which employed some 450 men, is now idle, and that a new opening they were making has been abandoned because of cost.

Mr. CHURCH: I rise to a point of order. The hon. member said I spent three days a week in the house. I am here four days, and I come as often as I can. The hon. member has not stated the facts, and I ask him to be gentleman enough to retract what he has said—because he is a gentleman for whom I have high regard.

The CHAIRMAN: I think the hon. member should withdraw the remarks which are offensive to the hon. member for Broadview.

Mr. GILLIS: I did not make those remarks. I mentioned no names, and I named no hon. member.

The CHAIRMAN: That is worse, because it applies to all hon. gentlemen who come from Toronto.

Mr. HANSON (York-Sunbury): The hon. member had better take it back; that is the shortest way.

The CHAIRMAN: I think the hon. member should withdraw his remark.

Mr. GILLIS: If it offends anyone, I am prepared to withdraw it. Nevertheless it is true.

The CHAIRMAN: The hon. gentleman must not attach such a limitation to his withdrawal.

Mr. GILLIS: I withdraw it.

Mr. HANSON (York-Sunbury): I think we might as well have this cleared up. The hon. member cannot get away with that; I have tried to do it myself and he cannot do it. This is a reflection upon every hon. member from Toronto, and he must withdraw it.

Mr. GILLIS: I have withdrawn it.

The CHAIRMAN: The hon. member will please withdraw his last remark, "nevertheless it is true."

Mr. GILLIS: I did withdraw it. As I was saying when this other matter arose, the coal industry is in need of more efficient planning. It must look strange to the Canadian people to see the government subsidizing imported coal while our own mines are idle. I am going to mention a number of matters at this time because the Minister of Finance is in the chamber. While these matters may refer particularly to the Department of Pensions and National Health and the Department of Munitions and Supply, they involve additional expenditure and therefore must be approved by the treasury board.

I would call the attention of the minister to the basic training being given cadets in our schools. These are our future soldiers. Under the present system there is a duplication of work and a waste of time and money. Cadets are trained for the three services, the navy, the army and the air force. The initial or basic training consists of some two hundred hours, and it is the same for all forces. But at present the different cadets are being handled separately, which necessitates more instructors. One instructor could do the work now being done by three. Then the matter of uniform comes into question. The most attractive uniform attracts the most cadets; they all want to get into the air force. This is the problem created for those who are handling the cadets. The boys in our high schools who are taking this basic training will be the soldiers of to-morrow. If they get this training under proper supervision the need for it on the parade ground will be largely eliminated. In addition they receive sixteen hours of specialized training to fit them for whatever unit they may want to join after leaving the cadet corps. This is all very useful work, but an analysis should be made in order to eliminate any defects that might exist.

Another matter I should like to bring to the minister's attention is in connection with the air force cadets. This corps is organized on a charitable basis. The work is necessary and could be productive of much good. At the present time committees in the different communities are obliged to raise money by appeals to public-spirited citizens and the work is financed in this way. Teachers who receive honorary appointments as officers in the corps are obliged to buy their own uniforms and so forth. Many of them cannot afford to do this. They would like to do something but they are placed in an awkward position because they cannot afford this expenditure. I think money should be appropriated for this purpose and the work should be directed by the Department of National Defence. I call this to the attention of the minister because if any change is proposed the matter will be brought before the treasury board which will say whether or not an expenditure is justified.

I have received a number of complaints from men in the armed forces who are desirous of adopting children. If a child is adopted subsequent to enlistment, as the regulations now stand no pay and allowances can be granted. Many institutions across Canada are trying to find homes for unfortunate children and their work is carried on on a charitable basis. Many men in the armed forces have adopted children but they cannot get any allowance, and more would adopt them if allowances were available. The present regulations are retarding a necessary endeavour and depriving children of homes. Many persons who would like to have children in their homes are blocked by the regulations. I mention this so the minister may give it some consideration.

I think the gasoline regulations discriminate against clergymen. Drugless healers and others are permitted a mileage of 15,000, but clergymen get only half this amount. In the community from which I come the clergyman is as necessary as the doctor. He has many calls to make at all hours of the day; he covers a large territory; he is on call day and night. Some consideration should be given to him. At least our regulations should conform to those in the United States; clergymen in Canada should receive the same consideration as is given to clergymen in that country.

I should like to say a word or two about wartime housing. Before coming to Ottawa for this session the hon. member for Rosetown-Biggar (Mr. Coldwell), the hon. member for Vancouver East (Mr. MacInnis) and I met the city council of Sydney. There is a serious housing shortage in that city. Perhaps 1,000 more men are employed in the steel plant to-day than were employed prior to the war. A plate mill has recently been opened which will employ from 400 to 600 men. During the summer months hundreds of men come in and out of this port. An air field has been established there and this has brought another group of men to the city. The officials are at their wit's end to provide wartime housing. They told us that their requirements are at least 500 additional houses. I understand a report was made to the government. The city council urged that we try to do something about this, that we bring it to the attention of the government for consideration.

Another matter about which I have corresponded with the government has to do with the facilities for shipping at this port. Perhaps 2,000 ships used this port last year and there are no wharfage facilities available. If a ship comes in slightly damaged there is no way to get its cargo out. Those who are endeavouring to regulate traffic in and out of the port have a serious problem on their hands. I urge that some consideration be given to providing facilities for commercial shipping. This is not for naval purposes; it is for the purpose of taking care of the growing flood of traffic in and out of this port occasioned by the war.

I should like to direct the attention of the minister to the plight of the retail gasoline dealer. We all realize that the use of gasoline for domestic purposes should be reduced as much as possible, but if the regulations are effective it will mean that many retail gasoline dealers will be put out of business. The more effective the regulations are, the greater the number of retail gasoline dealers who will be put out of business. Many of them have an investment in this business; a good many of them run a repair shop in connection with the station, but gasoline is the main attraction. Their costs have gone up from 20 to 30 per cent since the outbreak of war, and now that they are being legislated completely out of business they at least have the right to know whether the government can utilize their plants. If not, some compensation should be granted to them for the loss they are sustaining. The government is practically taking over their business of selling gasoline, and the retail gasoline dealers should be compensated on the basis of replacement value. I suggest that that question be given consideration. The regulations are unjust to the average retail dealer because in addition to all the restrictions put upon his business the oil controller has permitted wholesalers, for example, who were purchasing 500 gallons of gasoline a week from the local dealers to put in their own tanks. Owners of commercial vehicles can also put in their own tanks. The retail dealer is being legislated out of the picture. He is being treated unjustly in comparison with the big oil companies which have been getting a two-cent increase on their sales since the outbreak of war, while the retail dealer got absolutely nothing. His business has shrunk about 50 per cent, while his costs have gone up. He is liable for cost-of-living bonus, must pay increased costs in other directions due to the war, and is receiving no consideration. I rise for the purpose of bringing this to the attention of the Minister of Finance, because in the final analysis all these things must pass through the treasury board.

I suggest also that the Minister of Pensions and National Health give consideration to extending the allowance to adopted children so that children who have been adopted subsequent to the soldier's enlistment can be taken care of. The regulations do not cover that now.

I am sorry, Mr. Chairman, to have taken up the time of the committee, and I would not have done so had you received the cooperation of the committee in the manner suggested by the minister.

[Mr. Gillis.]

Mr. FRASER (Peterborough West): The other night the Minister of Munitions and Supply, speaking over the radio on the rubber question, said that the rubber situation was critical. Has the Minister of National Defence checked over the specifications for rubber requirements used by his department, with a view to eliminating any excess rubber that may be used in certain articles? I understand that most of the specifications call for super-aging rubber, while for many of these articles standard rubber would be satisfactory and its use would save many thousands of pounds of rubber.

Mr. RALSTON: A study has been made of that matter already and is continuing. There are several methods under consideration by which the use of rubber can be curtailed and possibly a lower quality used, so that there will be less use of the higher grade of rubber of which my hon. friend speaks.

Mr. FRASER (Peterborough West): There has been some criticism of the use made in Canada by the Department of National Defence of automobiles, trucks and other vehicles. The complaint is that they are being used for non-essential purposes. Some of them are driven along the streets with nobody in them but the driver, and sometimes they run half a dozen times to the same place in one day. There has been that criticism not only in Ottawa but elsewhere, and I wondered if there was going to be any check-up.

Mr. RALSTON: Perhaps my hon. friend was in on the conference I held last night on that very subject.

Mr. HANSON (York-Sunbury): I am glad to hear there has been a conference. I have heard the same complaint in Fredericton, where this practice has been observed. It would save a lot of money if the minister put the clamps on.

Mr. RALSTON: There was an article in the Kingston *Whig-Standard* some time ago which caused me considerable concern and regarding which I took what was thought to be drastic and vigorous action. The matter is being pursued.

Mr. FRASER (Peterborough West): In a report that was made on March 17 by the Minister of National War Services it was stated that ten million pairs of woollen socks had been ordered. Why should such a large quantity as ten million socks be ordered for the army?

Mr. MARTIN: The Minister of National War Services is out of the chamber.

Mr. FRASER (Peterborough West): I know, but can the Minister of National Defence tell us why that number would be ordered? There are ten thousand branches of the Red Cross right across the country, each of which knit many dozen pairs of socks a week. Ten million pairs of socks in addition to those knitted by the Red Cross seems to be an enormous number.

Mr. RALSTON: I really cannot believe that the minister's statement was understood aright; or perhaps my colleague had some mis-information.

Mr. FRASER (Peterborough West): I have his statement here.

Mr. HANSON (York-Sunbury): It was a public statement.

Mr. FRASER (Peterborough West): It says ten million pairs of socks, and underneath that it says that woollen gloves are being issued at the rate of 100,000 pairs a month.

Mr. RALSTON: I will find out about it.

Mr. GRAYDON: May I ask the Minister of Finance how much of this war appropriation and of the other war appropriation already dealt with is to be allotted to agriculture?

Mr. ILSLEY: The total allotted to agriculture out of the war appropriation is $32,786,000 for the whole of the present year. It is impossible to say what part of this $135,000,000 enters into that $32,786,000.

Mr. HANSON (York-Sunbury): Some of it is used to pay for subventions.

Mr. GRAYDON: May I say to the Minister of National Defence in regard to the money to be appropriated under this resolution that many people both in the house and outside have suggested that a rehabilitation fund be set up for the armed forces which would be available for their use after the war. I realize that there may be reasons, although they are not very clear to me, why the armed forces should not be receiving higher pay at the moment. But I suggest in all sincerity that nothing could do more to improve the morale of the men in the armed forces of Canada than for the government to set aside a savings fund, a rehabilitation fund, if you will, in which the armed forces would have a real stake after their fighting days are over. I have always been strongly in favour of such a fund. I think one other member has already drawn it to the attention of the house. It seems to me that in our national selective service arrangements we are faced with two problems which are very difficult of solution. First we are up against the lack of parity—we have used the word parity in many debates on agriculture, and lack of parity seems to me to present one of the greatest difficulties in connection with national selective service, as I think the minister will agree. Here you have on the one side, agriculture, which is a wartime industry, and as the months go by I feel that agriculture will be recognized as an essential wartime industry even more than it has ever been before. I am not going to make a special plea on behalf of the farmer to-day except to mention that the farmer is definitely operating under a lack of parity of return as compared with other wartime industries.

In addition to that, the armed forces are working under a similar disability. If we are to put into effect a definite national war-time selective service in Canada, it behooves the government and parliament, from the point of view of financial and economic returns, to treat our farmers and the men in the armed forces on a basis of equality of remuneration with other war-time activities. I hope that the committee and the ministers in charge will take into serious consideration the question of setting aside for our soldiers, airmen and sailors some kind of rehabilitation fund so that in addition to the pay they receive, and the allowances they are given by virtue of service in the forces, they will have each month or year, as the case may be, set aside for them, something in the way of a savings fund in order that they may have a substantial stake at the end of the war. That is important in the interests of morale at the present time and of the welfare of the men at the close of the war. The men, I think, will find it easier to rehabilitate themselves and to resume their normal places in our civilian life if they are given something to start with instead of coming back not fully provided for. I make that suggestion seriously. I think it is one of the most important points which the government can deal with at the moment, and I couple with it the question of agriculture which I brought up a moment ago.

Mr. RALSTON: I am not quite sure what the hon. gentleman refers to. He speaks of a savings fund. As he knows, pay is deferred now and is paid when the men return. In addition to that, orders in council were passed last October with regard to rehabilitation and providing for one month's allowance, for compensation really in lieu of unemployment insurance, providing for assistance in connection with interrupted education, providing for

vocational training and for assistance while awaiting return to employment, and providing for out-of-work assistance and for other benefits. These things have already been done. I should think, as my hon. friend has anticipated, that the matters to which he refers are properly matters which might be brought before the committee on reconstruction and rehabilitation appointed yesterday.

Mr. GRAYDON: All members, I believe, are fully aware of the steps which have been taken, and they are certainly steps in the right direction. My main objection is that they do not go far enough. They do not provide a really large enough fund against the time when the men are discharged, because one cannot do much with one month's pay and with a few odds and ends of that sort. I should like to see the men in our armed forces come back to their normal activities in Canada without being penalized financially or economically by reason of the fact that they have served overseas or in Canada in the forces.

Mr. MACKENZIE (Vancouver Centre): That is the objective.

Mr. GRAYDON: I am glad to hear the minister say that, and I hope he will keep that objective in mind and increase the savings fund which I suggest should be set up, because, even with what has been done, we are not approaching parity in dealing with our men at home and with the men in the armed forces generally.

Mr. HANSON (York-Sunbury): What the hon. gentleman is referring to is the discrepancy between those who go to fight and those who stay to engage in war work. That is the point, and it does seem to me that there is a substantial disparity between the $1.30 a day that is paid to our men, with what is given to their dependents, and what is paid in the way of wages to men in the factories. They do not begin to compare. I do not think that is a fair deal to the man who is risking his life. What the hon. member suggests is that the government consider setting aside by appropriation a credit in the nature of additional pay—call it that if you will—which will be paid to the man after he is discharged, with a view to reestablishing him on his own. I will not say more about it now, but that is the theory underlying the suggestion. I know there is difficulty about it, and I am not going to enlarge upon it at the moment, but that is the theory which I hope the government will take into consideration.

One word to the Minister of Finance. On page 1698 of *Hansard*, when he gave the table of totals amounting to $1,435,000,000, there is a total of $1,407,000,000 chargeable to war expenditures and $24,030,000 odd chargeable to asset accounts. He may have explained that to me on a previous occasion, but I cannot recall just what that means.

Mr. ILSLEY: That is made up in this way: Active loans and investments, Canadian National Railways: (a) purchase of equipment, $1,030,000; (b) working capital, $18,000,000; and advance to commodity companies in the Department of Munitions and Supply, $5,000,000, making a total of $24,030,000.

Mr. HANSON (York-Sunbury): Yes, but was it necessary to advance $18,000,000 to the Canadian National Railways when their earnings were the highest in history?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): I should like to have an explanation of that. They have I do not know how many millions in the bank to-day. I have not the report here, but I thought they were in a state of affluence; yet they are working on capital borrowed from the government. That seems to me to be a most astounding situation.

Mr. ILSLEY: It is not astounding at all.

Mr. HANSON (York-Sunbury): Well, at first blush, I will say it is astounding.

Mr. RALSTON: Blush again.

Mr. HANSON (York-Sunbury): Well, I do blush. That is only a manner of speaking; but that is how it strikes me, an ordinary layman who is not on the inside. I do think that if ever there was a time when the Canadian National Railways should go on their own, it is now. They are doing the greatest business in the history of the country. If they cannot go on their own now, with all their earnings—I am not speaking about buying back securities, because that is another matter; I am speaking of working capital—what are we to expect when the post-war period arrives?

Mr. ILSLEY: The larger the volume of business, the more working capital is required.

Mr. HANSON (York-Sunbury): How many millions have they to their credit in the banks? Much more than $24,000,000 I will bet.

Mr. ILSLEY: I do not know.

Mr. HANSON (York-Sunbury): They may not have as much when they repay, before the 31st of this month, interest on government loans, but they are still a long way from the poorhouse to-day.

Mr. RALSTON: May I say one word first with regard to the matter of pay. Nobody is more anxious than I am about the apparent

discrepancy when one speaks of $1.30 a day and compares that with wages paid in industry, but there are more compensating factors to be taken into consideration. Those factors have been brought out from time to time at various conferences which have been held throughout the country. Men in trades, receiving the wages to which my hon. friend refers, generally receive promotion before very long and get tradesmen's pay. It has been figured—without the actual documents before me I would not want to give the exact figures—that there is not anywhere near the discrepancy that might be imagined. In some cases they come pretty well up when dependents' allowance is counted in as well as the tradesmen's pay received. Some time I will give the committee a statement in regard to that, not in any defensive spirit, but with the idea of showing that the facts show a considerably different situation in comparing pay due the armed services with that received by those in civilian employment.

Mr. GRAYDON: That does not take into consideration the danger, of course.

Mr. HANSON (York-Sunbury): No, you cannot measure that.

Mr. RALSTON: I sometimes get a little irritated when people talk about a man doing equally valuable war service. I say there is no service that compares in equality with the service of a man who enlists and risks his life.

Mr. HANSON (York-Sunbury): Absolutely. You cannot measure it in dollars and cents.

Mr. RALSTON: When people advise a young man that he is doing just as important and valuable work at home, I say it cannot rank with the service given by the soldier.

Might I turn from that to a very plebian subject, the ten million pairs of socks. A member of the house who is a good deal better at mathematics than I am and who is in the clothing business points out to me that with a force of 500,000 men—and of course there are more than that when you think of those who went in and out again, and including all three services and reserve units as well—at eight pairs per man per year and assuming everyone had served for two and a half years, that does not seem out of the way at all. However, I will inquire further into the matter.

Mr. MacNICOL: I wish to make two brief observations. The first relates to a number of letters I am receiving from people who use cars in their business and who are not classified for gasoline rations in a class that permits them to continue in business. I will describe one instance that is more or less typical.

I know a man who deals in automotive supplies and travels from garage to garage all over western Ontario. He bought a big old-fashioned car and uses it as a truck with shelves in the back seat to carry his goods. He writes telling me that he will be forced to give up his business, in which he has been engaged for some twenty years, because the amount of gasoline allowed him is not sufficient to enable him to carry on. I know the government do not want to drive small business men out of business; the Minister of Finance needs the revenue. If thousands of small business men like the one I mention are forced out of business, that will be detrimental to the revenue. I think the differentiation between a car such as this used in business, practically a truck, and a private car, should be looked into very carefully.

Another matter about which I am greatly concerned is the direction of the road from south of the Peace river to connect with the Alaska highway at Fort St. John. I have been in that area; I am not perhaps as familiar with it as those who live there, but I made a careful survey by photograph and otherwise and I think I know the situation. I know that the government wants to do what it can to expedite travel north of the Peace river in the direction of the Alaska highway. My observation was that that country might possibly be invaded. There is a great deal of prairie; the mountains are not so wide at the north end of British Columbia; and while I hope no invasion takes place, it is imperative that this country be in a position to transport numbers of troops rapidly to defend it against invasion. The other day we had a statement tabled here, not of the direction the road is to take from Edmonton to Fort St. John, but of several directions that it could take. In my opinion every consideration but speed should be disregarded as far as the direction the road should take in war time is concerned.

It is some 267 miles from Edmonton by rail to the railway junction point south of the river at McLennan. There the railway branches, one branch going directly north or northwest and crossing the Peace river at the town of Peace River, some fifty miles northwest of McLennan. This branch of the railway then continues west on the north side of the Peace river for some sixty-four miles to Hines Creek. That is the terminus on the north side of the river. Last fall—hon. members from Alberta will be able to tell the time better than I—the Alberta government, very rightly in my

opinion, subscribed money to project the highway west of Hines Creek in the direction of the British Columbia boundary. The British Columbia government—and the British Columbia members will know better than I, particularly the hon. member for Cariboo—projected their highway eastward towards the Alberta border with the intention that the two highways would meet. That road is constructed to a considerable extent. On the north side of the Peace, one river has to be bridged, not a large river as we consider rivers here, and very small in comparison with the Peace river. Both in northern British Columbia and northern Alberta, they have been working to have that road completed. It is not completed. I am convinced that this government should advance whatever is required to complete, as an essential military project, that highway from Hines Creek to Rose Prairie, which is some twelve miles north of Fort St. John, because the only bridge over the Peace river is that at the town of Peace River. That is a huge bridge, longer I think than this across the Ottawa river here. I believe it is something around 1,800 feet or more in length. Why there is any delay in completing the road west of Hines Creek I cannot understand. In my judgment its completion is absolutely imperative as a military necessity.

There is another roadway, as the Prime Minister pointed out, a much longer one, running west of McLennan to Rycroft, where it turns immediately to the left and runs away to the south approximately fifty miles, then northwest to Dawson Creek. When it reaches Dawson Creek it is a matter of fifty miles more or less to Fort St. John, but between those two points this huge river has to be crossed by ferry, and shortly, when the ice breaks and the spring freshets come, it will be some time before a boat could cross that river. Once the ice is gone and the floes have disappeared, they could cross on a pontoon bridge, if one were constructed. There is not one there now, or rather there has not been one up to the present time. So, from the point of view of a military project the government should waste no further time in attempting to develop the roadway, and I believe also the railway, west from its terminus at Hines Creek to Rose Prairie, which will be on the road from Fort St. John to Alaska.

I appreciate the opportunity of making these few observations, because I am interested in these two matters and particularly, if I may say so, in the defence of that vast country in the Pacific northwest, and our ability to get to it rapidly in case that defence becomes necessary.

[Mr. MacNicol.]

Mr. DOUGLAS (Weyburn): This item, as I understand it, has to do with expenditures for the present year.

Mr. ILSLEY: Yes.

Mr. DOUGLAS (Weyburn): I wish to bring to the attention of the Minister of National Defence one matter based on sessional paper No. 154. In a committee where we seem to be talking all the time in terms of millions and billions, it may seem picayune to bring up a matter concerning only several thousand dollars, but I should like to point out that the average man on the street, particularly in a small community, does not deal with millions of dollars. He deals with the few thousand dollars spent in his locality, and he forms his impression as to how we are administering public funds from what he sees in his immediate vicinity. Personally I always feel sad when what seems like a glaring example of poor management tends to destroy the public confidence of a community, especially a community such as the one from which I come, where enlistments have been high and support for the war has been very strong.

I am referring now to the Weyburn barracks. I am not going to take time to do more than point out the highlights of the matter to the minister. The first battalion of the South Saskatchewan regiment, stationed at Weyburn, was mobilized immediately on the outbreak of war. In order to secure a barracks the government rented the International Harvester building, which was a very good building, and spent some $7,229.65 in equipping it; paid $560 a month rent; kept it in repair from time to time, spending on one occasion $1,773.72 and on another $1,196.94 for repairs. The building gave excellent service. The first battalion of the South Saskatchewan regiment trained there until a few months before it left for overseas, and another regiment also trained there. The barracks was closed for a time, and then the second battalion of the South Saskatchewan regiment was stationed there for training.

Last fall some officer was sent into the district, and he intimated that the government were not prepared to continue paying $560 a month rent for a barracks which was used only from time to time, and that it was intended to close the barracks. My information, from those who are in a position to know, is that the general manager of the International Harvester company put it up to the government in this way. He said, "We do not expect you to pay this rent. We are prepared to let you leave your equipment there; let the building stand as it is and we will charge nothing at all, even for the storage of the equipment. We are not likely to use the building in these

times, and when you want it again you can take it over." The reply of the officer was, "Well, those are not my orders. We must proceed to take out all the equipment and fixtures we put in, and place the building back in the shape in which we found it in 1939." That was done, at a cost of some $1,840.70, with the result that the building is now back in the shape in which it was before and is not available as a barracks should the occasion arise to use it as such. In all, we have spent on that building $39,209.82.

Mr. RALSTON: Including the rent?

Mr. DOUGLAS (Weyburn): Yes, including maintenance, repairs and rent, and of course I point out that a large part of that total is rent, amounting to $14,560; but that still leaves $25,000 which has been spent on maintenance and repair. I am not objecting to that at all. What I am pointing out is that here was one of the finest barracks in western Canada. It is not just a matter of closing it; it is a matter of spending nearly $2,000 to take out all the fixtures, which in all probability will have to be put back again. Should certain contingencies materialize on either coast; should the second battalion of the South Saskatchewan regiment have to be mobilized, that barracks will have to be used again, because it is the only place available. We are talking about building training centres for the trainees. Here was one of the finest barracks, capable of accommodating anywhere from eight hundred to a thousand men.

I ask the committee to consider the impression on the public mind. Here is a barracks on which we, the public, have spent money. Perhaps there is no need to use it at the moment; but why spend $2,000 to take out plumbing fixtures, heating equipment, equipment for showers and so on, and probably have to spend several thousand dollars more putting them all back some time later? It seems to me this was a case of red tape actually interfering in what would have been an ordinary, common sense business transaction of accepting the offer of the International Harvester company to let the building stand idle, to waive the rent and storage charges, so that in the event of the building being required the arrangement could have been picked up again right where it was dropped.

Mr. RALSTON: The criticism which my hon. friend puts forward depends, of course, for its validity on that conversation of which he speaks between the officer and the president of the company.

Mr. DOUGLAS (Weyburn): The general manager.

Mr. RALSTON: Of course I know nothing whatever about that. What my hon. friend says is that the general manager offered to give for nothing a building for which he had been charging $500 a month. That may be quite so. I am going to find out about it, of course; certainly I shall look into it.

Mr. DOUGLAS (Weyburn): That is what I want the minister to do.

Mr. JOHNSTON (Bow River): I wish to congratulate the Minister of National Defence upon his statement that there was no service which ranked as high as that of the man who offered his life for his country. I think we are quite in agreement with that, but I do not believe that is sufficient. It is all right to offer platitudes and praise to the men of the fighting forces, but I think that must be supplemented with something a little more concrete. I do not think anything would please the soldiers more than to be given a little better financial consideration.

That recalls to my mind a question which I have brought to the attention of the Minister of National Defence since war broke out; that is, the matter of the treatment given those in the army, as compared with the treatment given those in the other services. I recall when I left to come to Ottawa for this session, standing in the station at Calgary and seeing a colonial train pull out ahead of us. There were quite a number of soldiers standing there, and when that colonial train had pulled out of the station I went to the policeman at the door and asked whether the soldiers were going on that train. He said they were. I said, "Well, that seems queer. What is the matter with these air force fellows, and these navy men? Do they not go on the same train?" His reply was, "No, none of them are going on that train." I thought what a tragic situation that was, that because some of those men happened to be in the army they were packed off on a colonial train, while others, members of the air force and the navy—and I am not complaining about their treatment—were allowed to go tourist. I do not think that is conducive to good feeling.

Mr. RALSTON: I admit at once to my hon. friend that that condition did exist; but I must say it has been cured, and that the provision for travelling accommodation is exactly the same for parity of ranks in all three services at the present time.

Mr. JOHNSTON (Bow River): I am extremely pleased to hear that. I brought this question up when war first broke out. I have gone through trains, and have passed

from the standards with which officers are accommodated—the very best of accommodation—and on through to the tourist class, where the air force and the navy received excellent accommodation. Then, right on through on the same train, I would go into the day coach and find soldiers sleeping on their coats, with their lunches under their arms. That is not good, and we cannot expect to maintain the morale of our forces under those conditions. I am more than pleased to hear now from the Minister of National Defence that that condition has been changed.

Mr. RALSTON: Some time ago.

Mr. JOHNSTON (Bow River): It could not have been very long ago because it was when I was coming to Ottawa to attend this session that I saw it.

Mr. RALSTON: Then I say to my hon. friend that it was absolutely contrary to regulations, if that was the case. I have the information that it was changed during the November session. If my hon. friend would be good enough to tell me what train it was, I would be glad to inquire into the matter.

Mr. JOHNSTON (Bow River): I do not remember what train but, as I say, it was when I left to come here for the session.

Mr. RALSTON: There are times—and they are not infrequent just now, on account of the tremendous traffic on the railways—when the proper kind of rolling stock is not available. But if my hon. friend says there was one train in which men in the army were found in the colonist cars, and men of the air force in tourist cars, I say to him that that was not according to regulation, and I would be glad to look into the facts. I would do that, if the hon. member would tell me what train it was.

Mr. JOHNSTON (Bow River): I can understand the minister's answer that where rolling stock is scarce, such a condition might arise. But I do not think there should be any hesitancy about putting some of the air force men, navy men and army men together. All the fighting forces should be treated the same, and the sooner we come to that, the better for everybody.

Mr. JACKMAN: I used to ride in a colonist car, myself.

Mr. JOHNSTON (Bow River): Probably you should have been there; I would not argue that point.

The CHAIRMAN: Order. That is most irregular.

[Mr. C. E. Johnston.]

Mr. JOHNSTON (Bow River): There is another point I should like to bring to the attention of the committee. One of the greatest problems with which we are faced is that of production. Of all the things which will contribute most to our war effort, certainly production stands at the top. In the last couple of years we have seen what happens when our forces are not properly equipped. There is absolutely no question about it that we are not producing anywhere near what we should be producing. I have no doubt all hon. members received a copy of the *Financial Post* this morning. In that issue it is stated that we are turning out about 25 per cent to 30 per cent of the amount of production we could turn out. Not long ago the Prime Minister said that we are turning out about 44 per cent. I believe the figure of 30 per cent gives a fair estimate of our production at the present time. It is not good for the morale of our people to see manufacturing industries which are idle. We have an illustration right here in Ottawa, one which has not yet been corrected. I refer to the laying off of 500 men by the Ottawa Car and Aircraft. To my mind that is next to criminal. There is another situation in Oshawa where it has been estimated that 700 men have been laid off. Another 1,500 men are going to be laid off by the Chrysler works. Another 2,000 are to be laid off in other automotive industries. There is no question in the world that such a condition should not prevail.

I was interested in the meeting called the other day and attended by automotive workers who came from Oshawa and Windsor to interview ministers in the government. I believe they spoke to the Minister of Munitions and Supply and the Minister of Labour. Those men suggested that the ministers should go into the streets of Oshawa and Windsor, and listen to the comments made by the workmen, and by people generally. I hear those comments every time I come to Ottawa on the train, and I do not believe I would be exaggerating if I were to say that the people of Canada are fast reaching the belief that there is no concerted war effort, and that the government has no definitely laid plan.

The men who came to Ottawa the other day were as sincere a group of workers as one would find anywhere. Their desire was not that of embarrassing the government, but rather to assist labour and industry to organize so as to bring about greater production. That was their only purpose, and surely it was a most commendable procedure for those men, who came here at their own expense.

I was particularly interested in the condition in regard to tool and die-making in Oshawa. It is my understanding that one of the greatest lags in industry is caused through lack of proper dies and tooling equipment. The General Motors plant has laid off over 700 workers, and the excuse given by the minister is that the men were laid off because the plant was tooling up for a new order. But while that was taking place, a considerable number of experienced tool and die-makers were out of work in Oshawa. I understand a small fraction of those men were working full time, and some were receiving overtime. Others were working only five or six hours a day. To my mind that condition suggests a lack of coordination and organization. I believe the men who came to Ottawa the other day left with the government a very good suggestion. Whether it will be worked upon, remains to be seen.

They pointed out that one of the great difficulties in production centred round the speedy production of dies and tools, and they made the suggestion that tool and die workers should be organized into a pool. This pool would be supervised by the government, by the workers through their trade unions, and by industry. The result would be that when there was a job of tooling up and die-making for certain contracts, the government could keep those tool and die-makers busy all the time. Under proper supervision and organization blueprints could be sent to those men, and from those blueprints, even if it were necessary to work twenty-four hours a day, the required tools and dies could be made.

I cannot understand why the government does not awaken more readily to the seriousness of the situation. One of the ministers has pointed out that one of the greatest difficulties has been the production of tools and dies, thereby causing a lay-off of from 700 to 1,500 to 2,000 men. That is a tremendous waste of man-hours. It is a tremendous waste of time which we can never regain. I am waiting patiently to see what the government will do.

I was exceedingly surprised and disappointed at the answer given to these men by the Minister of Labour. They wanted something concrete to take back to the men at Oshawa. They were asking for some suggestions from the government in regard to the solution of their difficulties, and the Minister of Labour said to them in effect: "I do not think you fellows should come to the government with your difficulties; you should iron them out yourselves." To me that was shocking. The only possible way these men have of ironing out any difficulties with the company is to go on strike. It is illegal to do that unless they comply with certain government regulations. If they do comply with those regulations, then they are likely to be starved to death before the situation is solved. This is what happened in Kirkland Lake. Personally, I do not think that was the way in which this situation should have been handled. These men are desirous of cooperating with the government, and I do not believe we shall get anywhere in solving this production problem until there is complete coordination between the government and labour. There is to be set up before very long a war expenditures committee.

An hon. MEMBER: When?

Mr. JOHNSTON (Bow River): I hope before very long. I understand that that committee did good work last year, but I do not know how much they accomplished.

Mr. MARTIN: How could they have done good work if they accomplished nothing?

Mr. JOHNSTON (Bow River): I did not say that they did not accomplish anything, nor did I say that they did not do anything. The hon. member was probably a member of that committee and he knows more about it than I.

Mr. MARTIN: I was not.

Mr. JOHNSTON (Bow River): I am assuming that they worked very seriously and did good work under their term of reference. But despite all the work they did, despite all the energy they expended, we still have this appalling situation where around three to four thousand men have been laid off in these production plants. I contend that the reference to this committee should be widened and this production question should be turned over to it for investigation and report to the house.

There is another matter I should like to bring to the attention of the government. I attempted to do this on the orders of the day, but Mr. Speaker ruled that the question should be placed on the order paper. This situation to which I intend to refer is likely to cause severe trouble before very long. The situation in Drumheller, the Alberta coal mining area, is becoming so serious that it may interfere with our war effort before very long. The telegram which I attempted to read is as follows:

F. G. Neate,
Deputy Coal Administrator,
Wartime Prices and Trade Board,
Ottawa, Ontario.

Drumheller coal operators view with great alarm your statement, as reported in the press, made at Hamilton on March 19, in which you said that importers of American coal for domestic use are to be subsidized, particularly coming at a time when the mines in this district are having to close for lack of orders. Cannot

some arrangements be made whereby coal can be taken from Alberta mines, to take care of some of the demands before the question of paying subsidy to foreign coal is undertaken.

Drumheller Coal Operators Ltd.

Mr. MacNICOL: I received the same telegram. I have been at the Drumheller coal mines, and I endorse the hon. member's plea for the coal mines at Drumheller.

Mr. JOHNSTON (Bow River): I thank the hon. member, but again I say that sympathy is not going to get us anywhere. Some action must be taken.

Mr. MacNICOL: They have good coal there; I burn it at home.

Mr. JOHNSTON (Bow River): They have good coal, and they are in position at the present time to take care of a large share of the domestic market. It is quite likely that these mines will be forced to close, and one reason for this is the fact that foreign domestic coal is coming in. There is a tremendous supply of coal in Nova Scotia and Alberta, and yet this foreign coal is being subsidized and is competing with our own mines. The result will be that these mines will have to close down. They had to close down last year and the men got other jobs. Some of them are going to enlist in the army; some of them are going to go to other places to get jobs in industry. They must live; but as a result when these men are urgently required they will have gone to other places.

Mr. ILSLEY: No subsidy paid by the war-time prices and trade board will alter the competitive position of domestic and foreign coal.

Mr. JOHNSTON (Bow River): I do not understand the technical details; but I would suggest that if, instead of paying this subsidy on the foreign coal, it were paid on our own coal, it would make a tremendous difference. The price could be lowered to that extent.

Mr. ILSLEY: It is a large question to go into, and I am not prepared to do so just now. I do not want the impression to go abroad that we are subsidizing foreign coal so that it can undersell domestic coal. That is not the case. If subsidies are being paid—I do not know whether they are or not—they are paid only to the extent necessary to enable those selling foreign coal in this market to keep it under the price ceiling. That is all.

Mr. JOHNSTON (Bow River): I cannot see why we cannot increase the subsidy to the same extent on our own coal.

Mr. ILSLEY: It is a matter of policy.

Mr. JOHNSTON (Bow River): I would say to the minister that where policy interferes with the prosecution of the war, then it is high time that policy is changed. I do not think a mere matter of policy, whether it be to employ these miners or to reorganize production or any other matter, should stand in the way of the proper prosecution of this war. Merely to say that it is a matter of policy is not sufficient. I believe that is one of the reasons why the people are becoming so dissatisfied with this war effort. Some little time ago I attended a theatre—

Mr. FAIR: Was that on a Wednesday night?

Mr. JOHNSTON (Bow River): That was on a Wednesday night; the house was not sitting. I saw one of these propaganda pictures put out and paid for by the government, showing the huge production we were having in Canada in connection with our defence weapons. In two or three places you could hear the audience hissing. I say that that is a clear indication that the people are recognizing, and rightly so, that this stuff is nothing more or less than rank lies.

Mr. MacNICOL: That is very strong language.

Mr. JOHNSTON (Bow River): That is strong language, and I intended it should be strong, because I, for one, do not believe this stuff. We hear of what happened when the Duke of Kent visited these plants. I think that is an outrageous shame.

Mr. ISNOR: At what parts did they hiss?

Mr. JOHNSTON (Bow River): I do not just recall. When the Duke of Kent visited Oshawa, that plant was engaged in producing commercial cars, but for the duke's visit army trucks were put on and the commercial trucks standing in the corner were covered with tarpaulins. Nothing can dampen the morale of the people more quickly than that when they become aware of it. Such a thing should not be permitted for a moment. If the Oshawa plant were working 365 days a year, I would say, broadcast that fact all over the country and let the people know it.

Mr. MARTIN: Come to Windsor and see the Ford plant.

Mr. JOHNSTON (Bow River): I do not think the plants in Windsor are any better than the others.

Mr. MARTIN: You do not know what you are talking about.

Mr. JOHNSTON (Bow River): My hon. friend had better speak to some of the workers down there. How does it happen that 1,500 people at the Chrysler plant in Windsor are being laid off?

Mr. MARTIN: Who said that?

Mr. JOHNSTON (Bow River): It says that right here in the advertisement and it was a submission by the men who came here yesterday. Does my hon. friend say they were wrong?

Mr. MARTIN: No one suggested that yesterday at all.

Mr. JOHNSTON (Bow River): That is their statement in this advertisement put out by them. Does my hon. friend say they are not right?

Mr. MARTIN: I did not say that.

Mr. JOHNSTON (Bow River): Is the statement right or wrong?

Mr. MARTIN: You are talking a lot of nonsense.

Mr. JOHNSTON (Bow River): You do not know what you are talking about, and further, when you go back to your constituents—

The CHAIRMAN: Order. Hon. gentlemen should address the chair, and should not say that another hon. member is talking nonsense.

Mr. JOHNSTON (Bow River): Let me suggest through you, Mr. Chairman, that when the hon. member for Essex East goes back to his constituency, the workers in these plants in his district will call him to a meeting and tell him what to do.

Mr. HANSON (York-Sunbury): Put him on the spot.

Mr. JOHNSTON (Bow River): Yes, he will be on the spot.

Mr. MARTIN: The hon. member will recall that I was at that meeting yesterday and that I supported the presentation to the ministers by the workers representing my city. What my criticism was a moment ago was that the hon. gentleman should be fair in stating the case.

Mr. JOHNSTON (Bow River): If my hon. friend wants to ask a question, all right, but if he wants to make a speech he can do it afterwards.

Mr. MARTIN: Is it not true that I was at that meeting and supported the men's presentation?

Mr. JOHNSTON (Bow River): Would you ask the hon. member to sit down, Mr. Chairman? I have the floor and I am not prepared to let him take my time. If he wants to speak after the dinner recess, he can go ahead then. It is true the hon. member was there and spoke in support of the men, but now he says that this statement in the advertisement which these men put in the paper is not right.

Mr. MARTIN: No, I did not. Will the hon. member permit me a moment?

Mr. JOHNSTON (Bow River): You can get up after the dinner recess.

The CHAIRMAN: Order. If the hon. member rises to correct a statement purporting to have been made by himself, he can do so.

Mr. JOHNSTON (Bow River): I do not think he was correcting any statement that he had made, Mr. Chairman. He has just said that he was at the meeting and supported the men, and I agreed with him.

The CHAIRMAN: I understand that the hon. gentleman who has the floor stated that the hon. member for Essex East said that the advertisement was not correct.

Mr. JOHNSTON (Bow River): No, Mr. Chairman, I am afraid you have it a little bit wrong.

Mr. MARTIN: May I speak for one moment, Mr. Chairman?

Mr. JOHNSTON (Bow River): Have I the floor, Mr. Chairman, or has my hon. friend?

The CHAIRMAN: If the hon. member for Bow River did not refer to a statement made by the hon. member for Essex East, then he has the floor.

Mr. MARTIN: But he did refer to my observation, Mr. Chairman. What I said was this, that the advertisement which contained the representations of the workers of Oshawa and Windsor was correct, but then I said that the hon. member was not quoting correctly from it.

Mr. JOHNSTON (Bow River): The hon. member is changing his story entirely. First of all, when I was speaking of the representations made by the men to the government, the hon. member interjected and said that was nonsense. I pointed out to him where he was in error, and he objected to that. Then, when I read from this advertisement he implied at least that I was not reading it correctly. Now he says it is correct. Why? Because I said that when he goes back home and meets the people who made these representations they will call him to account.

The CHAIRMAN: The hon. gentleman, I understand, said that this advertisement was correct but that the hon. member who has the floor was not reading it correctly.

Mr. JOHNSTON (Bow River): Then I ask the hon. member, through you, Mr. Chairman, to withdraw that remark because I did quote

correctly from that advertisement. I will read it again and then ask you to see that the hon. member withdraws his statement.

The CHAIRMAN: If the hon. member was reading correctly from the advertisement, the remark should be withdrawn.

Mr. MARTIN: If the hon. gentleman was reading correctly from the advertisement, I certainly withdraw, but he was not reading correctly.

Mr. JOHNSTON (Bow River): I insist that the hon. gentleman withdraw that remark.

The CHAIRMAN: I did not quite catch it.

Mr. JOHNSTON (Bow River): I will read the advertisement again, and then I will ask you, Mr. Chairman, to have the hon. member withdraw his remark when I have proven that I was reading correctly from the advertisement.

The CHAIRMAN: I have to accept the statement of the hon. gentleman that he was reading correctly from the advertisement.

Mr. MARTIN: Mr. Chairman, to save the time of the country I withdraw all I said.

Mr. JOHNSTON (Bow River): I am glad that the hon. gentleman admits that I was right.

I shall finish in just a moment. In my opinion, when the war expenditure committee is set up, the reference to the committee should be widened to include an inquiry into war production, in order to ascertain whether our industries are functioning properly in cooperation with the workers and the government. War production is the one question that gives me the greatest concern. I am not so much concerned with what the Minister of National Defence does with that production after he gets it. What I am concerned about is to see that we get it, and plenty of it, and get it in time.

Resolution reported, read the second time and concurred in. Mr. Ilsley thereupon moved for leave to introduce Bill No. 19, for granting to his majesty aid for national defence and security.

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

On section 1—Short title.

At six o'clock the committee took recess.

[Mr. C. E. Johnston.]

After Recess

The committee resumed at eight o'clock.

The CHAIRMAN: Bill No. 19, section 1, short title. Shall the section carry?

Mr. MacNICOL: We do not have copies of the bill.

The CHAIRMAN: I understand that according to the practice these bills are not generally distributed. The phraseology is that usually found in money bills.

Mr. MacNICOL: Is it just the resolution?

The CHAIRMAN: It is the bill for $135,000,000, in terms of the resolution.

Mr. ILSLEY: The bill is in the words of the main appropriation act. There are five sections. This is a supplementary appropriation of $135,000,000, and the wording is exactly the same as that of the bill for the $1,300,000,000, which was passed. There is no occasion for holding up this bill. It is purely a formal matter.

Section agreed to.

Sections 2 to 5 inclusive agreed to.

Bill reported, read the third time and passed.

THE ROYAL ASSENT

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

Ottawa, March 26, 1942.

Sir:

I have the honour to inform you that the Right Hon. Sir Lyman P. Duff, Chief Justice of Canada, acting as deputy of His Excellency the Governor General, will proceed to the Senate chamber on Friday, March 27, at 6 p.m. for the purpose of giving the royal assent to certain bills.

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

SUPPLY

The house in committee of supply, Mr. Vien in the chair.

Mr. ILSLEY moved:

Resolved, that $3,530,840, being the amount of each of the several items voted as set forth in the further supplementary estimates, 1941-42, laid before the House of Commons at the present session of parliament, be granted to his majesty for the fiscal year ended March 31, 1942.

He said: These are further supplementary estimates for the current year.

Mr. MacINNIS: I am not going to speak at any length on this, but I am sorry the Minister of Labour (Mr. Mitchell) is not in the house because I was going to ask a question, which need not necessarily be dealt with to-night. The Unemployment Insurance Act makes provision for the registration of persons out of work, and I believe that provision should be used for the purpose of keeping both members of parliament and the country advised from time to time, much in the same way as is done under the British act, regarding the number of unemployed in the country. We have never had any satisfactory statistics in Canada in connection with unemployment, but inasmuch as, under the Unemployment Insurance Act, all unemployed have to register at government offices, we should know from week to week or from month to month how many people are actually unemployed and what the unemployment situation is. If some member of the government would draw this matter to the attention of the Minister of Labour, I should be glad to let it go at that.

Mr. STIRLING: Mr. Chairman, do I understand that you are putting the supplementary estimates through en bloc or are you calling them item by item?

The CHAIRMAN: We are taking en bloc $3,530,840, which is the total amount of the several items for the fiscal year ended March 31, 1942, as per further supplementary estimates that have been tabled.

Mr. STIRLING: Therefore you are not calling them item by item.

The CHAIRMAN: No—that is, with the consent of the house.

Mr. STIRLING: May I raise a question with regard to the Prince Edward Island car ferry and terminals. The leader of the opposition (Mr. Hanson) had, I know, intended to ask some questions and make a statement thereon, but in his unavoidable absence perhaps the minister would be good enough to make a statement to the committee.

Mr. HOWE: The Prince Edward Island car ferry is operated as a separate operation. Years ago it was included in the accounts of the Canadian National Railways, but some three or four years ago the car ferry was separated from the operation of the railway and a deficit item placed in the estimates. Evidently the amount placed in the estimates was a fairly close approximation to the deficit, and only a small additional amount is required.

The ferry is operated at a loss; and the greater the traffic, the greater the loss, in that additional trips cause increased expense. As hon. members know, there were two ferries on the run, but unfortunately one was lost some months ago en route to Prince Edward Island from Saint John, where the boat had been overhauled. The boat sank in deep water. For a time it was thought it could be salvaged, but all the salvage operators have now examined the situation and decided that the boat could not be salvaged; consequently it was abandoned to the underwriters.

The position is that to keep up our war programme of shipbuilding and to rebuild the car ferry is impossible. The ways of one of our shipyards would have to be occupied for some fifteen months, and provision made to build special equipment. I suppose the building of that car ferry would interfere with the building of three or four standard 10,000 ton freighters. With the need for shipping so urgent, it is felt that the remaining ferry should perform the service until the war situation eases. In the meantime the one ferry is carrying on successfully. The operation has been normal this winter—I think there were one or two interruptions—but records show that there has never been a winter that there have not been interruptions for some twenty-four to thirty-six hours. I think the situation is one that can be allowed to continue until the war permits the replacement of that boat.

Mr. STIRLING: Does the minister anticipate that this one ferry will be able to take care of the spring and summer traffic, which, of course, will be much greater than in the winter? A considerable amount of agricultural produce comes across by that ferry, does it not?

Mr. HOWE: The business has always been taken care of by one ferry. It is only in very busy seasons, perhaps in August when the tourist traffic is heavy, that the two ferries are used. One is usually a standby for the other. The present ferry was the only means of communication with the island for a great many years, and it is felt that the one ferry should be able to handle the traffic this summer, because we expect there will be very little tourist traffic on account of the shortage of gasoline and rubber. A second ferry service to the island which operates during the summer months, has been greatly improved in the last two years. That service, from Woods island to Pictou, should relieve the strain considerably on the big ferry.

Mr. RALSTON: My colleague has not referred to two matters which I regard as very important in connection with this ferry.

He, of course, is the acting Minister of Transport. I have had some direct correspondence with both the minister and the Canadian National Railways. The president advised me some little time ago that after a good deal of examination they had found on the west coast a boat called the *City of Sacramento* which might possibly be available as a standby. I had been urging that if a new ferry could not be built, some boat be obtained in order to make absolutely sure that there would be no break-down in the service should anything happen to the present boat. The president of the railways realized the desirability of that situation being buttressed if at all possible, both because of the needs of the citizens of Prince Edward Island and the fact that there are two air training establishments on the island. The result is that at the present time there is going on an extensive examination with regard to obtaining the *City of Sacramento,* not only as to the terms on which she can be obtained, but also her fitness for use as a standby boat. She is not a car ferry, but she would provide desirable accommodation for a fill-in service.

While that examination has been going on, another project has come up, of transferring a car ferry from lake Michigan. The points about the use of that ferry were, first, whether or not she could get through the St. Lawrence canal locks, and it is found that she cannot without having to be cut in two and put together again, as was done during the last war. The difficulty there is that in putting her together we would have to preempt for some little time a dock down the river, but it seems that situation is not insurmountable. The other point that has to be examined is whether the docks at cape Tormentine and Borden can be adapted to the boat or the boat to the docks. An examination is going on as to these two points. I have in my hand a letter from the president of the company giving me the latest word, and the matter is being dealt with actively. I know that everything possible is being done to supplement the present service of the *Price Edward Island* with a standby or fill-in service by obtaining another boat.

Mr. MacNICOL: In my judgment the past service was not very satisfactory. I have been to the island many times, and I cannot say I ever found the service what I would call 100 per cent. In the first place it was difficult to get a car on the boat, and once you got it on, it was just as difficult to get it off. I am not sure whether it was the new boat or the old one that was lost—

Mr. HOWE: The new boat.

[Mr. Ralston.]

Mr. MacNICOL: Well, even as to the new one, I often intended to protest here about the difficulty one experienced in getting a motor car on and off the boat. The last time I went across that strait I scratched my car and jammed it a bit because of the narrow boat space. I hope, when the time comes that the government can build a new boat, they will build it large enough that people can come and go to the island without so much difficulty as in the past. If there were real accommodation for visitors to reach the island, instead of an arbitrary figure of 50,000 cars crossing in the season to that very beautiful island—nothing like it anywhere in America—it might be an arbitrary figure of 100,000, which would be a very good thing for business on the island. So I would say to the minister that when he comes to build a boat he should build it so that automobile traffic can be loaded and unloaded easily. I have seen lately in the Charlottetown *Guardian* reports of meetings of boards of trade and city councils—and I am not sure that the matter did not come up in the legislature—detailing the difficulties with which they are now faced. One boat will have very great difficulty in giving adequate service to those producing farm products on that island. Personally I have a very warm feeling for Prince Edward Island, because of its great beauty. There are no stones on the highways; there is beautiful rolling landscape everywhere. This country owes a lot to Prince Edward Island, and nothing should be left undone that might help give those people better transportation facilities than they have to-day.

Mr. HAZEN: A few weeks ago I wrote the Postmaster General about a matter of censorship concerning the city of Saint John. I have not a copy of that letter before me, but as I recollect them the facts were that a gentleman in Saint John had been corresponding with someone in the city of Boston. He came to the conclusion that there was a great deal of delay in the delivery of his letters, so to test the matter he wrote two letters at the same time, one of which was mailed in Saint John and the other taken to Montreal and mailed from there, both to the same address. The letter mailed from Montreal reached the addressee in Boston within a day or two; the letter mailed from Saint John did not reach Boston until about two weeks later. I wonder whether the Postmaster General could give any explanation as to this very great delay.

Mr. MULOCK: I shall have an inquiry made, and shall be glad to give the hon. member an answer to-morrow. I have no information at the moment, but I shall endeavour to get it as quickly as possible.

Mr. BOUCHER: Could the Postmaster General give us any information as to the postal situation in Westboro? That suburban area has been extensively built up within the last three years, and a year ago last Christmas an unsatisfactory state of affairs existed in regard to postal delivery. During the past year some steps were taken to improve the situation, but they were grossly inadequate and quite unsatisfactory. That area is virtually an extension of the city of Ottawa. There is a mail service along the main streets, but no service further on. Many of the residents of that community have to walk a mile or two miles for their mail, and have to wait an hour or two before getting it. Sometimes they have to wait as long as three days for their mail. I believe it is the policy of the government not to extend the mail service any more than is absolutely necessary in these days, but actually this would be simply an extension of an already existing service. The municipal authorities of that area have gone to the extent of making provision for clearing the streets, numbering the houses, renaming the streets and everything else in order to get this service, and the situation is getting more serious all the time.

Let me give an example. Recently a constituent of mine who was working in Shawinigan Falls received a letter from the Department of National Defence asking him to report for military training. The letter had been expected, and calls had been made at the post office every day for it. It took seven days to arrive from Toronto and be delivered to the recipient, which left him only nine days in which to make his arrangements to answer the summons. I quote this as one isolated instance, but it is only one of many. I say that an area like Westboro, the home of so many business people and civil servants who require efficient mail service, should not have to put up with this deplorable situation. So I would ask the Postmaster General to reconsider the matter, which I have already discussed with him, and to which he gave a favourable hearing. I feel it my bounden duty to continue urging him until his pleasant reception, and the pleasant smile he is now giving me, are crystallized into the desired action in that community.

Mr. GILLIS: On two occasions during the session of 1941 the Minister of Munitions and Supply stated in the house that the airmail and passenger service would be extended to the Sydney area in Nova Scotia. At that time the minister said this was one section of the country that would benefit perhaps to a greater extent than any other section by the extension of these services. I was led to believe that this extension would be inaugurated by August of last year, and I should like the minister to inform the committee now if this matter is still under consideration, and what are the prospects.

Mr. HOWE: Well, they say hope deferred maketh the heart glad, and I am glad to tell my hon. friend that the service will commence on April 1, only five days away. It will be on a trial basis, to test out the service. Mail will be carried from April 1, I assume at the ordinary postal rates, and the regular airmail and passenger service will commence May 1.

Mr. FRASER (Peterborough West): Will the Minister of Pensions and National Health explain item 435, "nutrition service"?

Mr. MACKENZIE (Vancouver Centre): Yes. The 1942-43 regular estimates contain an item, under the heading "Nutrition Service", to provide for—

> Carrying on educational work for the purpose of assisting the public to maintain the nutritional requirements of the home under existing circumstances by advice as to advantageous purchasing, preferable choice of foods on account of cost and food value, and proper methods of preparation; to make available expert opinion for the information bureau of the Department of National War Services; to visit, inspect, and confer with the managements of cafeteria in industries; to check nutritional values of foods planned for workers, and to suggest improvements where indicated.

In October, 1941, the treasury board authorized the establishment of this division for the above purpose, and the sum of $10,000 has been provided from the war appropriation subject to reimbursement when the supplementary estimates for 1941-42 are available. Details of the expenditure during the current year are as follows:

Telephones, telegraphs and postage	$ 100
Equipment	100
Salaries, temporary	6,000
Materials and supplies	300
Transportation and travelling expenses	3,500

The personnel now employed in this division consists of the following:

Director of Nutrition Service	
Dr. L. D. Pett	$4,080
Asst. Director of Nutrition Service	
Miss M. W. Harlow	3,120
Field supervisors	
Miss J. M. Skene	1,560
Miss N. Hinton	1,560
Miss A. M. Jessop	1,560
Stenographer, grade 2	
Miss M. H. Kiggins	1,080

These are all details in connection with the vote.

Mr. FRASER (Peterborough West): Does this vote look after the new legislation with respect to vitamins in different foods?

Mr. MACKENZIE (Vancouver Centre): No, not necessarily. It may in the future, but not so far. The regulations in regard to Canada approved flour and bread go into force, respectively, on April 1 and April 15. A period of six months will be allowed for experimental purposes before there is any prosecution under those provisions. These regulations are the most modern and scientific in the whole world. They are not mandatory in their present form. It is expected, however, that a standard bread will be adopted almost universally within a few months.

Mr. MacNICOL: If all these estimates are passed now, shall we be permitted to speak with respect to these matters when the regular estimates are before the committee?

The CHAIRMAN: We are not discussing the main estimates, but rather we are discussing further supplementary estimates for the year ending March 31, 1942. The main estimates have not yet been touched.

Mr. MacNICOL: When the main estimates are under consideration shall we be permitted to discuss these items?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. BOUCHER: What provision is made for the staff of the House of Commons during the Easter recess as to work, pay and so on?

Mr. ILSLEY: The staff is being paid during the recess.

Motion agreed to.

INTERIM SUPPLY BILL

Mr. ILSLEY moved:

Resolved, that a sum not exceeding $38,803,172.40, being one-sixth of the amount of each of the several items to be voted, as set forth in the estimates for the fiscal year ending 31st March, 1943, laid before the House of Commons at the present session of parliament, be granted to his majesty, on account, for the fiscal year ending 31st March, 1943.

Mr. STIRLING: We are quite prepared to facilitate the passage of this interim portion of the estimates, with the understanding, of course, that we shall not be precluded in any way from discussing them, item by item, when they come up in the estimates.

Mr. ILSLEY: That is the understanding, yes.

Motion agreed to.

Resolutions reported, read the second time and concurred in.

[Mr. Ian Mackenzie.]

WAYS AND MEANS

INTERIM SUPPLY

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

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

Mr. ILSLEY moved:

1. 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, 1942, the sum of $3,530,840 be granted out of the consolidated revenue fund of Canada.

2. Resolved, that towards making good the supply granted to His Majesty on account of certain expenses of the public service for the fiscal year ending 31st March, 1943, the sum of $38,803,172.40 be granted out of the consolidated revenue fund of Canada.

Motion agreed to.

Resolutions reported, read the second time and concurred in. Mr. Ilsley thereupon moved for leave to introduce Bill No. 43, for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1942; and

Bill No. 44, for granting to His Majesty certain sums of money for the public service of the financial year ending March 31, 1943.

Motion agreed to, bills read the first and second times, considered in committee, reported, read the third time and passed.

WAR APPROPRIATION BILL

PROVISION FOR GRANTING TO HIS MAJESTY AID FOR NATIONAL DEFENCE AND SECURITY—INTERIM APPROPRIATION

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

Resolved, that it is expedient to introduce a measure to provide that a sum not exceeding $500,000,000 be granted to his majesty towards defraying any expenses or making any advances or loans that may be incurred or granted by or under the authority of the governor in council during the year ending the thirty-first day of March, 1943, for the purposes and subject to the terms, conditions and limitations set out in the resolution to provide that sums not exceeding $2,000,000,000 be granted to his majesty, which resolution was referred to the committee of the whole on the 17th of March, 1942; and being one-fourth of the said amount of $2,000,000,000.

Mr. STIRLING: I understand that this is the fourth of the measures referred to last night by the Minister of Finance.

Mr. ILSLEY: Yes.

Mr. STIRLING: The minister stated that he was desirous of getting these through because the end of the fiscal year will come during the Easter recess.

Mr. ILSLEY: Yes.

Mr. STIRLING: I think the leader of the opposition (Mr. Hanson) concurred in the minister's suggestion on the understanding that we shall not be precluded from the fullest discussion when the main bill is before us.

Mr. ILSLEY: Yes; that is correct.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, before you leave the chair I want to take this opportunity of saying a few words on this resolution. I realize that opportunities will be given after the Easter recess to discuss the appropriation, of which this forms a part, and I should hope that at that time we may have the debate so well organized that it will not necessitate all the ministers remaining here during the whole discussion, and that we may be able to deal with our problems department by department and perhaps facilitate business in that way. I wish to say a few words on the matter which was brought before us yesterday and which forms part of the programme for the year for which this appropriation is being made. In further explanation, I would say that I do not expect to be here to-morrow, and I crave the indulgence of the house to permit me to say what I have to say at this time.

The war has necessitated many drastic measures being introduced into the house, but I suppose that nothing more drastic has been suggested to the country than the recent outline for the mobilization of man-power. We realize that this war must be a total war if we are going to win it, and again I should like to say as emphatically as I can that a total war involves much more than the mobilization of human labour power. Without the mobilization of our resources upon the same basis and at the same time we shall not get an enthusiastic all-out war effort in Canada. Moreover, we are fighting for the democratic way of life, and the proposals made in this house the day before yesterday were of such a nature that they involve the setting aside, at least for a considerable time, of many of the ordinary procedures of democracy.

I hope the determination that we have seen here from time to time to defend individual enterprise in the midst of this war will not be continued to the detriment of our war effort. Hon. members probably saw in the Ottawa *Journal* this evening a description of the manner in which a great monopoly in the United States, the Standard Oil company of New Jersey, represented in this country by Imperial Oil Limited, handled a secret process for the making of synthetic rubber. That process was handed over to Germany and everything was done up to yesterday to prevent the use of the patents, even in connection with the war effort of the United States. I want to say that that kind of attitude brings home to us as forcibly as it could be brought home the danger of allowing great monopolies to control, in peace and in war, the vital resources of the countries in which we live. I have noticed that some of the people connected with these organizations, and some hon. gentlemen in this house, have stated again and again that we must preserve individual enterprise in our war effort. It has been amazing to me to hear some people from their places here demand that we shall not interfere more than necessary with private business, that we shall continue the individual enterprise system, and then demand mobilization on a compulsory basis of the labour power of our men and women. In this great crisis we are not objecting to the compulsory mobilization of labour power, but we say that if we are to have equality of sacrifice, there must be a mobilization of our industrial and economic resources upon the same basis and at the same time.

I wish to object to the manner in which the sweeping proposals were introduced into this house. Orders in council of the most sweeping nature, already finally approved by the government, have been placed before this house while it has been sitting. During the war we have found that immediately before the house assembled on one or two occasions, and while the house was sitting on other occasions, policies of the most fundamental nature have been placed before the house in the form of orders in council, without any opportunity being given to parliament to discuss the various phases of the proposals being made.

I am not arguing that in the midst of war it is always advisable to introduce, in a manner permitting of long discussion, new policies which may interfere with business or with people. But I do say that when it is necessary to introduce policies suddenly by order in council a certain period should be set aside immediately so that this house may discuss their implications. It may not be proper and it may not be easy to make any changes in those policies, but in almost every instance the government is empowered to make regulations to carry out

the policy and at least we should have an opportunity of discussing the policies before the regulations are made.

As I said, this is a matter which affects the lives of all Canadian people more than anything else we have done. In my opinion, it is too important a matter to be the subject of a mere governmental decree. We should have had a bill which we could have discussed section by section. I think this matter might have been introduced in such a way as to make unnecessary a very long discussion. To some extent I understand why certain measures of this description are introduced in the way they are. We have had some rather long discussions on some things that perhaps did not require such lengthy debate.

I am going to throw out a suggestion which hon. members may think over. We have admired the manner in which during this great war crisis the British parliament has justified itself as an institution. Its rules differ materially from our own. Perhaps the time has come when this house should set up a committee to study the rules followed in the British House of Commons and see if we could not adapt some of those rules to our own needs. In that way we might have a different type of discussion, just as free but not as prolonged as the discussions that have occurred during this war period. I said a few moments ago that there are many ways in which prolonged discussion might be obviated, but I think a measure of this description should be given all the consideration we can give it, and at once.

I notice from the public press that the head of one of the great labour organizations in this country has stated that labour will give every cooperation to the government in carrying out this policy, but he regretted that the labour movement had not been consulted on this policy before it was introduced into this house. In my opinion, the representatives of the people's organizations should have been taken into the confidence of the government and the whole question thoroughly discussed with the labour organizations, the farmer organizations, the legion and other organizations vitally interested in the mobilization of labour. In any event, whether or not these organizations were called into consultation, surely there was no reason why parliament should be ignored in the manner in which parliament was and has been ignored on so many occasions during this war. I have followed the speeches of the Prime Minister (Mr. Mackenzie King) over a number of years both before and since coming into this house, and if there is one man in the public life of this country who has talked about the supremacy of parliament and the need for parliament to decide, it is the Prime Minister himself. Yet again and again policies of vital importance are adopted by order in council without parliament being consulted at all, and we have the latest example in the measure to which I have just referred.

I want to protest, too, against the manner in which this measure has been introduced into the house at this late hour just before the Easter recess. The government orders on to-day's order paper, although we have managed to dispose of some of them this afternoon and this evening, are still pretty well filled with important measures or have been right up to to-night. Consequently members have refrained from entering on a discussion of this measure. Yet this policy has long been under consideration by the government. I remember reading a speech made by the Minister of National Defence for Air (Mr. Power) in Montreal as long ago as last December in which a measure such as this was clearly foreshadowed. I looked over a summary of the minister's speech yesterday and found that the orders in council which have been passed bringing into effect this new policy were also clearly foreshadowed and almost accurately outlined by the minister when he spoke in Montreal as far back as last December. Therefore this policy has been under consideration by the government for some time, and there was no reason, to my mind, why the organizations I have mentioned should not have been called into consultation before the policy was decided upon, and certainly no reason why some discussion of it should not have taken place in this house.

Why the haste now, when we have not yet provided employment for some of our workers who are at present unemployed? The hon. member for Lethbridge (Mr. Blackmore) this afternoon read into the record an advertisement which appeared in the local press from an automobile workers' organization pointing out that there were many technical men in that organization who are unemployed to-day. There are some hundreds more unemployed at Kirkland Lake, many others at Kitchener, and there are men working short time, I am told, in a number of industries throughout the country. While it may be essential to organize our men and our women, we should first have utilized fully the labour power and the machinery that we have already available before a measure of this sort is adopted by order in council.

I know that the total war effort which must be waged in order to bring us to victory involves some sort of intelligent selective

service, but an intelligent selective service not only for men and women but for industries as well, and I want not only on my own behalf but on behalf of those associated with me, to protest in the strongest possible manner against the way in which these important proposals have been introduced at this time.

I do not wish to go into the problem at great length. There are some features of the legislation that are interesting, and not only interesting but worthy of commendation. I would commend the attempt to provide labour for the farm. But in saying that, I am not sure about the justice or rightness of taking one particular class out from under the selective service system. I am not sure that it is either wise or proper; it may cause grave antagonisms between groups. Agricultural labour has to be provided, and the condition of the farmer to-day is such that he cannot compete with industry for labour. His prices are too low and wages too high in relation to his prices, although not too high in relation to the cost of living and the cost of other things. But the young farmer, the farmer's son, by this legislation is kept on the farm, and no matter how low his standard of living may be, he is prohibited from seeking work in any other industry unless he obtains permission. So not only have you frozen farm labour on the farm at a comparatively low wage level, with farmer's prices at least in the prairie provinces too low to enable them even to operate, let alone pay a decent and reasonable wage, but you have said to the young men engaged in that industry: You must remain where you are unless you agree to enlist voluntarily in the armed forces. One of the criticisms I would make of the proposals is that in my opinion they doom the farmer to the sort of peasantry in which he has lived for a considerable time, and doom the farm labourer to a sort of peonage as compared with other forms of labour in this country.

In the working out of these selective service measures, who will control the operation of the policy? That, I think, is a vital question. I notice that a director and an assistant director have been appointed. I do not know either of these gentlemen, but I presume they are worth-while citizens of this country and probably very able men in their own spheres. But one is an engineer and company director, and the other is a stockbroker. The two people who will head this selective service system are, first, a company engineer, and second, a stockbroker. Where are the representatives of the people who are going to be regimented? Where are the representatives of labour? Where are the representatives of the farmer? Where are the representatives of the common people?

I say to the Minister of Munitions and Supply (Mr. Howe) to-night that while I think he has done a remarkable job in many respects in organizing, nevertheless I have been alarmed at the trend in his department to the control of all our activities by powerful business men or by dollar-a-year men who are close to big business and big-business organizations. Our people are becoming suspicious of this sort of thing.

This is another mistake which the government has made in selecting men—no matter how good personally they may be—who have the wrong sort of association to command the right sort of confidence and support all across the country. The same is true of the manner in which it is proposed to grant the appeals. We have to-day national service appeal boards throughout the country. I am not going into the boards separately to-night, but in my opinion, from personal observation, some of the boards that have been set up have not commanded the confidence of democratically-minded people, and such boards are not the type that should be entrusted with this new power. If they were set up originally to select men who may be suitable for military training and to decide those who should get training or those who should be exempted, that does not qualify them for deciding whether a man is suitable for a certain type of industry or not. We require a new form of board, and the government should look over the personnel of the boards set up and endeavour to give a much wider sort of representation on those boards than we have had up to the present time.

We have, of course, the national advisory board, and the Prime Minister told us that provision would be made for the representation of women's organizations and other bodies upon such a board. That is all to the good, but so far the national labour relations board has not been functioning as it should have done. Then again, the selection of those who will be chosen for various types of work is left to officers to be located in the various cities, and unless these officers are selected with the greatest care we shall find that there will be a great deal of discontent with regard to them. I suggest to the government that before this mobilization goes into effect, on every board there should be adequate representation of the people's organizations, such as the labour and farmer organizations, the legion, if you will, and other organizations which represent great masses of the people of Canada.

Another thing that struck me about this measure is the fact that if a young man has been turned down on account of physical unfitness, he may get medical aid and hospitalization so that he may be taken into the army. If it is necessary to give hospitalization and medical aid to bring up to efficiency a man going into the army, ought it not to be equally wise to give the same medical treatment and hospitalization to men and women so that they may be rendered efficient in industry as well? I should like to see the government provide medical aid and treatment for those who fall below the proper physical level both in industry and in the armed forces—men and women. Let me say in connection with this problem that the orders in council do provide for the payment of transportation to women if they are going to take work in industry. I suggest that we should have a comprehensive plan so that when men and women are moved from one place to another, where their labour is required for war purposes, we should look after the transportation problem so far as they are concerned and make some family allowance if they are compelled to be away from home. That, may I add, is being done in Great Britain where they move people around from place to place for the purpose of industry.

Mr. MacNICOL: It is done under the unemployment act.

Mr. COLDWELL: No, under a special scheme under the ministry of labour, I understand.

Mr. MacNICOL: I meant to say under the ministry of labour.

Mr. COLDWELL: This is, indeed, a drastic mobilization of human power. On more than one occasion the Prime Minister has told us that the government intended to use the power now in its hands, under the National Resources Mobilization Act, to mobilize industry and wealth; but in spite of all that may be said, the fact is that industry and wealth are not yet mobilized to the extent to which it is proposed now to mobilize human power. In whose interests is this labour power being organized? In the interests of the country? Yes; but at the same time, under the present economic set-up, we are mobilizing labour for the National Steel Car Company, for General Motors, for Chrysler and for Ford. I say that we ought to mobilize these corporations on the same basis and on the same terms; then we should have something approaching equality of sacrifice. We have not that equality to-day, no matter what ministers may say.

[Mr. Coldwell.]

I suppose all members of this house must have observed, from the balance sheets these days, how prosperous some of these companies are. They must have noticed the very expensive advertising these companies are undertaking. All members, I know, a few days ago received a very expensively framed copy of an advertisement that had been published during the recent victory loan campaign. I have not written to thank General Motors for the nice picture to hang in my office; I feel I ought to write and thank the Minister of Finance (Mr. Ilsley), because that advertising will be charged up to profits—excess profits—and eight-five per cent of the cost of that framed picture and that type of advertising will, in fact, be paid by the people of Canada, because the government of Canada will not collect the excess profits tax on money which is spent in that manner.

Mr. ILSLEY: A limitation was placed on the amount of that kind of contributed advertising.

Mr. COLDWELL: I will not ask the minister to tell me what the limitation is because that would probably not be easy. It would vary from company to company.

Mr. ILSLEY: Oh, no. It was in the Department of National Revenue, but my recollection is that only ten per cent of the normal advertising expenditure was permitted to a company for contributed advertising.

Mr. COLDWELL: That is contributed advertising?

Mr. ILSLEY: That was a contributed advertisement.

Mr. COLDWELL: I am not talking about contributed advertising; I am talking about the reprints. I do not know whether the minister had a framed picture that most of us received. That is not contributed advertising. I was speaking, not about the advertising contributed by these companies for the victory loan, but other sorts, such as the rather beautiful framed copy of an advertisement that we received, and the pictures we received a short time ago from the Chrysler company, and some other material that we have been receiving which were not contributed advertising but the normal advertising of the companies. I suggest to the minister that it would be well to look into the advertising that is being done at the present time.

Mr. ILSLEY: It is subject to control by the Department of National Revenue; they may disallow if they see fit.

Mr. COLDWELL: I hope they will look into some of the advertising and disallow a good deal of it.

We have not yet begun to mobilize wealth and industry. If we are to have equality of sacrifice, that must be brought about without delay. If we are to have an enthusiastic war effort it must be achieved without further delay.

I do not intend to delay the discussion any longer, but I want to emphasize with all the force I can, first, that the method of introducing policies of this kind is undemocratic. It is unfortunate. It does not give members of this house an opportunity to do what they are sent here to do. Secondly, if we are going to mobilize the human power of this nation, it must be mobilized under the supervision of the people themselves, supervised by representatives that they themselves choose. To-day in Canada we have organizations which choose representatives of the people for the people, other than this House of Commons. I refer, of course, to the great nation-wide labour and farmer organizations. When we have done that, as my colleague the hon. member for Cape Breton South (Mr. Gillis) said this afternoon, we should guarantee to the men who are mobilized and engaged in these industries the right to bargain collectively through organizations of their own choice.

When we were in Great Britain I asked Mr. Bevin, the British Minister of Labour, as to the status of collective bargaining in Great Britain. He replied, "Oh, well, to-day that has become a part of our constitution." When I asked him the further question as to whether in government-owned plants or government partly owned and controlled plants normal labour organization was permitted he said, "Well, our great naval dockyards are, of course, government-owned; our civilian workers are organized in the union of their choice." Then with a smile he added, "And I am a national secretary of that union."

If we are to have a satisfactory and enthusiastic war effort, we have to safeguard the rights of the common people to determine through their organizations their own activities and their own way of life to a larger extent than we have in past days. Indeed, we have to go further than that; there must be some joint management of industry between the present management and labour. Only in that way can we get an all-out, complete and enthusiastic war effort.

So, then, in making this appropriation, one-quarter of the $2,000,000,000 estimate for this coming year, I want to impress upon the government that we shall not get the all-out effort required to win this war unless we and the other democratic nations can organize ourselves completely and efficiently. The totalitarian powers have done that; they have done it in a manner which we detest. I am one who believes that under our democratic institutions we can organize our countries as efficiently as, and much more enthusiastically than the totalitarian powers can ever do if we only take the people into our confidence and show them that we are prepared to give them a square deal. Equality of sacrifice demands that the people's organizations shall have a voice in all the war activities of this nation, and that the great industrial concerns of this country shall be mobilized, selected, conscripted if you will, in the same manner and upon the same terms and at the same time as we mobilize human labour.

Mr. PAUL MARTIN (Essex East): I would not be true to the character of my representation in this house or to my convictions in this matter if I did not rise at once to support in the main the observations of the hon. member who has just spoken (Mr. Coldwell). I believe that among hon. members on all sides of the house there is a growing conviction that if we are to make our prosecution of this war what we all want it to be in a world in flames, there must not be on the part of any group in this country any suspicion of the loyalty and good faith of other groups in the country. I represent a constituency largely engaged in the automobile industry, which is at the present time, as to the Ford plant namely, and to only a relatively less extent at the Chrysler plant in Windsor, engaged in a total way in the production of military vehicles of all kinds that are being used to wage this war. I think that, generally speaking, labour has a legitimate complaint about its representation on important boards that are being set up. There has not been thus far, because this measure was introduced before any opportunity for discussion in parliament was presented, any real opportunity for members of this house to discuss the proposals for the mobilization of man-power announced the other day by the Prime Minister (Mr. Mackenzie King). Labour has complained, and the responsible type of labour leadership has complained, that it was not represented on important boards. It is not too late now for the administration to include on boards of selection, boards that will deal with postponements and exemptions, not only the representatives of industry—they should be there—but, as well, representatives of labour and of the farming community as well as of the legion

and other such organizations. The time has come when there should be on the part of labour and of industry less suspicion of one another than there has been in the past. I have heard it said by various people in this house; I have heard it in the corridors; I have heard some of my own people whom I represent say, "Oh, we cannot trust these men." If in this country we have reached the point where labour is not to be trusted, that is a terrible indictment of the nationhood of this country. I do not believe that. As I said a moment ago, I represent a constituency which contains a huge proportion of labouring men. I know them. I come from that group myself and, indeed, I believe practically every member of this house in some way or another owes his inheritance to people of that kind. At the present time my own father is engaged in a factory making munitions of war. Am I to say that I do not trust him? And he is no different from the thousands of men who are engaged in the war factories of this country.

So I say, with all the sincerity and all the force of which I am capable, that the time has come when we should recognize that if there is a partnership in industry—and we have talked about that for years—we should make it a real partnership. Let us give labour full representation on these boards. Let us also give the farming community full representation. I am sure we shall not find that, as a result, any of the so-called radical groups will take advantage of the situation. We can trust the labouring people of this country; and by trusting them we shall help develop the sort of labour leadership, the kind of responsibility in leadership, which so many people in Canada find lacking in connection with labour in this country at the present time.

I fully agree with what the hon. member has just said with regard to the right of collective bargaining. The government of this country recognizes that right, so we are not asking for something that is new. Collective bargaining is a technique that is older than any member of this house, and it has kept the industrial peace of more countries than one could count on one's ten fingers. The preservation of the industrial peace of England has been maintained largely because the British government and industry and labour in Britain have fostered the development of a tradition under which not only employees but employers themselves would not for a moment think of resorting to any other technique. Recently, in my own city of Windsor we had a committee to carry on the victory loan campaign. On that committee were found not only representatives of industry but also representatives of labour and of the farming community; and in that campaign the labouring people, fourteen thousand of them in one plant alone, invested their money just as willingly as did the management of those plants. So, if they can be trusted in a victory loan campaign, surely we can trust them in these other endeavours.

I say these things because I think we on this side of the house who represent the traditions of Liberalism should not hesitate, when the opportunity is presented as it is to-night, to properly enunciate our principles. I agree in the main with what has been just said; and I am satisfied that if this house gave a similar concurrence, if there were an attitude of trust on the part of labour toward industry and on the part of industry toward labour, we would not have the suspicion and the lack of unity which still exist in the industrial world.

Mr. J. R. MacNICOL (Davenport): I should like to add only a few words to what has been said already. I listened with interest to the remarks of the hon. member for Rosetown-Biggar (Mr. Coldwell), and with a great deal of what he said I am in hearty accord. For many years I have been very closely associated with labour, and I believe that I know a good deal about the labour problem. The hon. member for Rosetown-Biggar spoke of present conditions, and of what should be done now. I want to add to that something about what should take place when the war is over. To-day a committee met for the first time to deal with the question of rehabilitation after the war. I am not going to speak of that matter now, but I hope the work of that committee will bring about many of the results to which reference has been made already this evening. Certainly, after the war no such unemployment as has existed heretofore should be permitted. That matter may not come under this resolution, but much has been said about the organization of industry, and I am one of those who believe that industry should be organized so that, after the war, unemployment will be a thing of the past.

Since I have been very closely associated with working men for more than a quarter of a century, naturally their hopes and desires have always been foremost in my mind. Many industries, I know, have within their own organizations what they call sick benefit or medical assistance plans, whereby any of their employees who become sick or incapacitated receive assistance. That is not government assistance, however, and I am convinced that the time has come for the government to consider adopting the methods prevailing in the old country, under which

all working men in all plants, not only in those having their own organizations, shall receive sick benefits and medical assistance. I would say that was the second thing that should be provided after the war.

Furthermore, as I look back over the last ten years and recall the number of cases that have come to my attention of workmen losing their homes through no fault of their own, I hope that sort of thing will not prevail after the war either. Men who for years saved out of their humble wages and salaries acquired homes, perhaps not fully paid for, and then during the depression, which was not the result of any fault of theirs, they lost those homes. That is a situation which must not be allowed to prevail after the war.

I agree with what was said by the two previous speakers, that the time has come when we all—for I believe every member of this house is just as much interested as I am—must see to it that the conditions which obtained in the past shall not prevail again, and that our working men may receive that to which they are entitled. I hope, as has been suggested, that some *modus operandi* will be worked out under which these most desirable aims may be realized.

Hon. J. L. RALSTON (Minister of National Defence): May I add just a word, to deal with what has been said by the hon. member for Rosetown-Biggar (Mr. Coldwell) and the hon. member for Essex East (Mr. Martin). There seems to be some misapprehension with regard to the mobilization plan, particularly with reference to its application to labour and the part labour will play in connection with the administration of it. May I point out to my hon. friends, to the house and to the country that this system of national selective service is being operated by the Department of Labour, which is presided over by a man who is as well known in labour circles as any man in Canada, and who, indeed, has made his reputation in connection with labour. I do not feel at this stage that anyone should have any apprehension that labour will not be wholly, fairly and properly represented in connection with the administration of this measure.

May I say this, that having in mind my position and responsibility, someone might have suggested that it might have been administered by the Department of National Defence, simply because of the fact that in respect of the men needed for the army we have a heavy interest in it. That was not done. It might have been administered by the Department of National War Services, but that was not done. It was placed with the Department of Labour, and I believe that all labour men in this country will realize that that was a recognition of the fact that they are very much a partner in this war, and that their rights and their responsibilities would be respected by this government.

May I add, as my colleague the Minister of Pensions and National Health (Mr. Mackenzie) has pointed out to me, that many of the functions of the Department of National War Services were transferred to the Department of Labour in order that this national selective service system might be worked out with the full appreciation and full cooperation of labour.

Then, mention has been made of boards. I do not know what the hon. member for Rosetown-Biggar had in mind. The only boards we know of are, in the first place, the employment offices which will be operated throughout the country—and operated by the Department of Labour, under the Minister of Labour. They will be operated by men who understand the problems of labour and who have been acting in connection with it. Then, if there are advisory committees throughout the country, those advisory committees most assuredly will have on them representatives of labour. I am sure the house and the country, and particularly our friends who represent labour, can be assured that they will have the fullest representation in connection with anything which has to do with the administration of this legislation. With that assurance I feel the house will be satisfied. I should not want the wrong impression to go out from the debate which has taken place to-night, or from the speeches which have been made, that labour has been overlooked. It seems to me that labour at least is recognized fully in connection with the administration, and will be recognized in connection with the organization and set-up which will be put into effect throughout this country.

Mr. CLARENCE GILLIS (Cape Breton South): Mr. Speaker, the hon. member for Rosetown-Biggar (Mr. Coldwell) very well stated the case for the group he leads in the house. I was much interested in, and deeply appreciated the remarks of the hon. member for Essex East (Mr. Martin). I am now prompted to rise for a few moments because of the statement made by the Minister of National Defence (Mr. Ralston).

May I point out that having been a worker myself, and having been associated with the trades union movement for a considerable number of years, I know the attitude of the average working man to-day to the national selective service programme as proposed by

the government. There is a suspicion on their part, and that suspicion is well founded. It is based on the attitude of those who, we know, at the present time are in charge of organizing the national selective service of the working people of this country.

The hon. member for Rosetown-Biggar has stated that to date we know an engineer has been appointed, as representative of the companies. Another gentleman is one whose qualifications no one doubts, but whose environment and background are not reassuring. They are to take care of the problems of the people who are to be regimented. Many, many times I have heard it said in the house that the government recognizes the rights of labour and favours collective bargaining. We can judge that statement only on the basis of the government's approach to that problem in the past. I want to say this, that it is anything but reassuring.

Only 15 per cent of the workers in this country are organized. Eighty-five per cent of them are unorganized, because of their opposition to organization. Very recently we have had a demonstration of just about what the present Minister of Labour (Mr. Mitchell) will do with respect to the enforcement of the rights of workers who organize. Kirkland Lake is a blot on his administration. It will take a long time to remove from that department the stigma of what happened there. I shall not go into it in detail, because the story is well known. They obeyed the wishes of the government and the laws of the land. They endeavoured to lay down their organization, with the result that, according to the last information I had, a thousand of them were without jobs and without relief. Nothing has been done about it, so far as I know.

Another thing I should like to call to the attention of the house is this: Many, many times, from many platforms and over the radio I have heard the statement made that one of the first things which would come in Canada or any democratic country, in the event of totalitarian nations winning the war, would be the loss of trades unions. I want someone to explain to me what is the difference in the mentality of a person who destroys a trades union, and one who will not allow it to be born. In my opinion, there is no difference at all.

Furthermore, an active campaign has been carried on by industrialists in Canada, since the outbreak of the war, to offset the formation of any kind of legitimate trades unions functioning in this country. I am ashamed of such tactics. In the press from time to time and in the house hon. members have risen in their places to point out the relationship between this country and our good neighbour to the south. It has been said that if we are going to get through this struggle successfully, Canada and that good neighbour must have a common understanding, and no differences of opinion. We are in this fight, all the way—both Canada and the United States. But at the same time big business directorates interlock between this country and the United States. Nothing is done about that. It is said that it is legitimate business, and it passes. Manufacturers' associations can organize on both sides of the boundary line, and lay down international organization rules. But just as soon as a representative of labour comes from the United States to Canada and endeavours to employ the experience he has gained over many years in a similar field in the United States, when he sets foot on Canadian soil he is accused at once of being a foreigner. It is said that he is a foreign agitator, and the press of Canada from one end of the country to the other goes to great lengths to build up the idea that a "foreign agitator is in Sudbury creating a disturbance."

Only just recently the Canadian offices of the mine, mill and smelter workers' union, with headquarters in the United States, were destroyed. This was a respectable group associated with that organization, a group which was endeavouring only to give the Canadian worker the benefit of their experience. The men were prepared to organize to carry out an all-out war effort. But one of these men, who is accused of being a foreign agitator, was beaten up and placed in a hospital. There were screaming headlines in a large section of the press.

I call this to the attention of the Minister of National Defence, because he has a serious job to do, and we want to help him.

Mr. CRERAR: In regard to the destruction of the offices and the beating up of certain labour leaders in Sudbury, may I ask the hon. member why a charge was not laid? They were invited to lay a charge with the police, but no charge was laid. If my hon. friend does not know it, there is a very strong suspicion, whether it is well founded or not, that the whole breaking up of the office was a bit of a racket to gain sympathy.

Mr. GILLIS: I can answer that. There is no mystery about it, so far as I was concerned, because I have gone through that kind of stuff. That job was planned. There was not any use in or any necessity of laying charges and for this reason: Do not make any mistake about it that the men who are organizing those unions are the men who will finally drag some of the people to-day out of the

mess into which they have got themselves. That is why they do not lay charges. The men who did that job were paid to do it by the company which makes a fairly good profit in that section.

Mr. CRERAR: Has my hon. friend any proof of that?

Mr. GILLIS: I have that information from the people.

Mr. CRERAR: A story is not proof.

Mr. GILLIS: My story is just as good as the story told by the company. The minister has only their side of it.

Mr. CRERAR: I am not defending the company for a moment, but these people allege that they were attacked and they said they could recognize their attackers. If so, why did they not lay a charge of assault?

Mr. GILLIS: Every man who committed that assault was checked into the mine although he was not in it, and he had a perfect alibi before the assault was committed. That has been done quite often. I have seen it done myself under certain circumstances. What is the use of a union which has not very much money to start with going to the courts against International Nickel and having a case tried by people who know where they stand? It would be a waste of money.

Mr. CRERAR: The union would not need money to prosecute. The crown attorney of the district would prosecute.

Mr. GILLIS: You go to a magistrate and try to take out papers and you will see. The first thing he wants is some money and a guarantee of more. There is something wrong with the leadership of any trades union that gets hooked up with the courts of the country. I am merely pointing out that you cannot stand up in the House of Commons and tell the working people of this country that their interests are well protected. They have been listening to that for twenty years. Why is there so much opposition in this country to the formation of trades unions?

Great Britain's war effort has been lauded, but I want to tell the house that there would have been no war effort in Great Britain were it not for the 5,000,000 trades unionists led by Bevin. He is the only man in England who could mobilize industry. He had demonstrated in the past that they could trust him, and they were willing to relinquish many of their rights on the understanding that they would get them back when the war was over. They knew they had one of their own with them. They would not take that from General Motors or International Nickel. These men are perhaps honest in protecting their own organizations, and they are going to try to have a continuation of the system that has been good to them. I think it is being demonstrated that the organizations which could not plan the peace-time requirements of this country without having a million people on relief are certainly not capable of planning an all-out war effort and carrying it through.

We are glad to get the most production, but you will have to do something about it. You cannot have a continuation of Kirkland Lake and General Motors. We cannot have our mining industry partly shut down at a time when the fuel controller is hollering for coal. We want to help out with this job, but we want to be recognized as a partner in it, not as a poor relation. These people are saying, "We are willing to use you while there is a crisis, but we are not willing to give you the same rights that we have ourselves." The headquarters of International Nickel are in the United States and they are not considered as foreign agitators. We have no objection to them; we are merely asking for the same rights.

Who is going to organize this selective service proposition? Is it to be done under order in council 2685? Is the government going to recognize the right of the workers of this country to bargain? This thing is becoming a joke. If this thing is only a gesture, there is no use in wasting any time on it; but if this national selective service is to be a success, it will be necessary to get all possible help in order to put it over. The miners' unions in the east will be ready to work with you. I say that any industry operator who retards collective bargaining, who refuses to take in the men round the table with him, is throwing away one of the greatest assets he has. If General Motors is going to operate this thing; if you deny the workers the right to sit in at these councils and help out with this war effort, it will not be a success.

Yesterday I met twenty men from the automotive industry. These men were workers; they were not officials or salaried men. But they were alarmed at the lack of production in their industry. They had sent a committee here to Ottawa to find out what could be done to step up production and to make the industry work. They were here to offer their services. If you do not want them to work with you, that is all right, but I say that the first requirement is to have these men sit in with the boss. If a boss is afraid to meet his employees, then there is something wrong with his business. If the worker is going to be a

partner, then he should sit round the conference table to study these problems. If we are going to beat Mr. Hitler and the Japs, there must be some understanding on that basis. If you are going to have a sixteen-hour day, I am prepared to accept it on the understanding that when the real job is done, the bosses and the government and labour will sit round the conference table to rearrange this whole thing and avoid a repetition of what is occurring now.

Our people have gone through a lot of misery. Only 15 per cent of the workers of this country have been permitted to organize. That is not good enough. Things like this stick in the crops of the people. If they have suspicion, it is well founded. The industries of this country have thrown away one of the best assets they had.

I am sorry I have had to say what I did, but it was prompted by what the Minister of National Defence said. I have no doubt that he is honest in his opinion, but he has been living in an environment different from the one in which I have been living. I have been for thirty years with these men. I have attended trades unions meetings and councils; I have listened to these men, and I understand what is going on. If you take a man from one of these trades unions and put him on a board to regulate any industry, the workers will have confidence in him. They will know that he knows their problems and you will avoid a lot of headaches. You will receive one hundred per cent cooperation. But if you send a stockbroker from Montreal or Toronto down to sit in with a bunch of coal miners and discuss their problems, he will not get very far. He does not talk their language, and they do not talk his.

Mr. G. E. WOOD (Brant): Mr. Speaker, I had not intended to participate in this debate, but I am prompted to do so by what has been said in some of the speeches here to-night. The hon. member for Cape Breton South (Mr. Gillis) claims that he has been living in a different atmosphere from that in which those who administer some of the laws of Canada live. When I hear labour exponents argue their case I often wonder who is really the labouring man. Labour includes a large proportion of the population of this dominion, and there are certain elements in this country who seem to think that they have a divine right, that they can enjoy all the rights of society without undertaking any of its obligations.

If we are going to have an all-out war effort, it is necessary and essential that we should all contribute according to our ability, that we should give the very best that is in us and not always be looking to find fault with what the other fellow is doing. We should see that we do our own job and do it right.

I have not armed myself to-night with figures beyond those I have charged my memory with, taken from news items, but I should like to take a few moments to reply to some of the things which have been said. The hon. member for Rosetown-Biggar (Mr. Coldwell) waxed eloquent over the contribution of labour and criticized the shortcomings of the financiers. Mr. Speaker, I am not a financier. I live among about the same class of people as those represented by the hon. member for Cape Breton South, the common people who are in the great majority, and, after all, an expression from a representative of the common people should have its weight. I am going to give my view as I see it from the point of view of the ordinary, honest-to-goodness farmer who labours, I think, just as much as any organized labour man that I know of. I think, too, that we should appreciate those in this country who work in an executive capacity. It is foolish to suppose that because these men wear white collars they are not working men. I know a lot of people in the city in my constituency who are sitting up nights over the financial problem of seeing that those men who work from eight to five shall have some place to sell their labour. These people deserve some recognition, especially in our war effort, and I am prepared, too, to pay a high tribute to industry for the wonderful contribution it has made to our war effort.

The *Monetary Times* in the month of January published a record of the business done in 1942 by firms with seats on the Montreal and Toronto stock exchanges and showed that although these firms had to do a great deal more business than they did during the preceding year, their dividends amounted to only five million dollars more than the year before. In spite of doing almost double the volume of business, a large part of their profits were taken away from them by the excess profits tax legislation and corporation taxes brought down in the early part of this war. Therefore these firms are more or less tax-collecting agencies for the government. It is wise to let them have a reasonable profit because 85 per cent of the profit made by corporations is collected for the war effort of this country. I know it is not popular to defend finance, but it is more easy for me to do so because I am not a financier myself. I try to look upon the question from the common-sense point of view that there should be harmony

and a proper relationship between the industrial man, the labour man, the farmer, and the executive who are all working together in this all-out war effort that we have to make. I think it is hardly becoming to champion one particular class of our people as if they possessed all the virtues, although I have a great deal of sympathy with labour.

Mr. MACKENZIE (Vancouver Centre): We are all labour.

Mr. WOOD: That is true, and we should try to keep a proper perspective.

My Social Credit friends in the far corner of the house are exponents of a new order in finance. They make a special attack on our existing financial institutions. I am a practical man, Mr. Speaker, and have to look at things from results as I see them in a practical way, and so I shall not attempt to go into their monetary theory. But let me point out this to my Social Credit friends. I see by the *Financial Post* to-day that the net profit of the chartered banks last year was about $13,500,000. The net profit of the banks would be what it would probably cost the nation for the banks to be the bookkeepers of the nation, and in spite of what hon. gentlemen said about our financial institutions being parasites, and so forth, $13,500,000 represents only one-quarter of one per cent of our total national wealth if we accept the figure of $6,000,000,000 as the estimated national wealth of the whole country. Suppose the social credit theory were put into practice and we had what the hon. member for Rosetown-Biggar advocates—tax-free money. You would have to pay for the cost of doing that business. At the present time the interest charged remunerates the banks and allows them to pay their staffs. The interest charge is their profit motive. So the net profit of the banks represents only what it costs the public for the banks to be the bookkeepers of the nation. I thought it was time that somebody should rise in his place in this house and turn over the leaf so that we could see the other side of the picture. I am not here to defend the banks or any financial institutions whatsoever. I am just trying to use the ordinary common sense the Lord has seen fit to give me and to vision this thing from the point of view of a practical man.

Our Social Credit friends in the far corner of this house also dwell on the new order there is going to be after the war. But I say to them, do not be carried away by any false hopes, for I do not think this new order will ever take away the struggle from life, and I think it is well to keep that in mind. It is all very well to find fault with some of the things we have with us to-day under our present system, but very often, you know, it is difficult to put something better in their place. I would also give this word of warning to the same hon. gentlemen, that when you have this new order, you will still find the same elements among us complaining about it, because no matter what kind of new order is brought into being, there will always be those who will make the best of it and finally find their way to the top, and then we shall have the same element we have to-day wanting another new order. But why do we need to argue about the new order while the war is on? Why not postpone that discussion and see if we cannot make a job of winning the war against the most vile and vicious enemy that ever befouled this earth? That is what I have been thinking, and I have been waiting for some man more able than I to discuss these matters. Perhaps they were too modest, and with me it may be a case of "fools rush in where angels fear to tread." Nevertheless that happens to be my nature. I generally champion the cause of the underdog, and I believe that when you have a friend who needs protection it is better to do it behind his back than before his face.

While the banks and industry have not been making excessive profits, labour, I believe, is getting as fair a share of the wealth of this country to-day as any class. If there is any preference, it is the labouring class that gets the preference, as compared with the farmer and industry. This war has been carried on upon the basis of a 3 per cent war. The last war was a 5½ per cent war; therefore even finance is taking its cut this time. That is something which ought to be considered. Furthermore, while we have been at war for two and a half years, there is no evidence, so far as I can see, that one man in the dominion has become a millionaire or one firm has made millions in consequence of the war. We have taken the glamour of profiteering out of the war, and I am also prepared to say that a great deal of the opposition to the government—why do we not do this, and why do we not do that?—is due to the fact that a certain element of society in the country are disappointed that they cannot get their hands in up to the elbow and make themselves millionaires. A great deal of the criticism of the efforts of the administration could, I believe, be traced to that very reason. I regret that I did not come here a little better prepared to contribute to the debate, but I could not sit here any longer and allow some of the things that we have heard to go unchallenged.

The hon. member for Cape Breton South referred to the Kirkland Lake strike. Perhaps he is more familiar with organized labour

than I am, but I can assure you, Mr. Speaker, that his view of the strike is not shared generally in the part of Ontario from which I come. I may be wrong, but I think that when the men who have enjoyed the distinction of having from 20 to 25 per cent more for their labour than the labour men in the rest of the country, assert themselves at this time in the manner in which they have done, they do not do organized labour any good, nor do they enhance themselves in the estimation of the Canadian people. The hon. member can argue all he likes, but I suggest to him that the less said on this subject, the better. Let it die down, and the next time these men attempt to organize, let them see to it that they do not repeat the mistakes which they have made in the past. Let it go by the board; that would be my advice.

Mr. GILLIS: May I ask the hon. member a question?

Mr. WOOD: If I can answer it, it does not hurt to ask.

Mr. GILLIS: With regard to the Kirkland Lake situation, he says that the men made a mistake. Does he think that any section of the people of this country who obey the instructions of the government, following every legal avenue provided by the government, taking a referendum and getting an affirmative vote, are doing wrong? They carried out literally the laws laid down by the government.

Mr. SPEAKER: Order.

Mr. WOOD: I do not think I am expected to answer that question yes or no. That is impossible, and I do not think I will attempt it. The question relates to a highly technical matter. Let me say to the hon. gentleman that it is results that count, and these men are out of work to-day. Ask them if they had to do it over again what they would do. Let the hon. gentleman get their answer first.

Mr. GILLIS: They would tell you that they are still good citizens and will obey the laws of the country.

Mr. WOOD: I do not claim to be an authority on these questions, but I am giving the hon. member the benefit of the views of the people with whom I come in contact. Sometimes, living as I do next to nature, among the quiet, placid country folk, I take a great deal of pleasure in going among that satisfied community in the evenings, where people get together in the country stores. These people are called by the rude name of nail-keg orators; but some hon. members here, who try to philosophize us into a new order, would do well to go into some of the old pioneer sections and get the philosophy of life of the people there, talk the language they talk, and learn what their views are. I venture to say that such hon. members would come back into the house better informed. I am prompted to say what I am saying now because I have gathered a considerable amount of the information which I am giving to-night as a result of my associations with these people. As I say, I can talk their language and they can talk mine as well.

I regret having taken up so much time, but I could not sit here quietly without coming to the defence of people who apparently have no one to speak for them. Not that I am interested in the industrialists of the country, but I would remind the house that we need all phases of the economic order if we are to make this a happy and comfortable place to live in. After all, happiness is what we are all after. I would suggest another bit of philosophy to my friends. They may argue as long as they like about finances, they may talk as much as they like about the dollar; but happiness is a home-made product and it cannot be made out of dollars and cents.

Mr. G. H. CASTLEDEN (Yorkton): May I answer the charge which the hon. gentleman has made, that criticisms of the government's efforts can be traced to those who have not been able to get their hands up to the elbow into the pool of profits. Apparently he understands the language and mentality of those who think their main object in life is to get their noses into the trough at the expense of their fellowmen who are contributing to the welfare of the nation by their sweat and toil. I want him to know now that we in this part of the house at least, in our efforts to represent labour, will have nothing to do with that sort of thing.

I make this criticism of the government's action. I say to them: You have mobilized labour, but you have left industry and finance unmobilized. The people of Canada wanted complete mobilization of the country in total war; you have brought down orders in council, and the speech of the Prime Minister (Mr. Mackenzie King) confirms it—mobilizing man-power, the labour of the country. But there has been nothing so far as we can see to show that you intend to have the factories continue operating. This war will likely be won or lost on the production lines of industry.

It is equipment that we need. Labour in Canada is showing itself willing to be mobilized if you will produce the machines, but nothing is done to see that the factories are kept operating. General Motors can close down, or the aeroplane plants can close down production or slow down, and the shipbuilding yards can slow down, but there is nothing in the way of mobilizing industry so that parliament and the government of the country can demand that plants keep working day and night.

Mr. CRERAR: Will my hon. friend explain how we could mobilize industry?

Mr. CASTLEDEN: See that the plants of the country are working day and night.

Mr. CRERAR: Are they not?

Mr. CASTLEDEN: Many of them are not.

Mr. CRERAR: Where?

Mr. CASTLEDEN: One in Ottawa. Oshawa was closing down, and a thousand men in Kirkland Lake are doing nothing. I do not know why they should be digging for gold anyway; they would be better employed producing tanks and aeroplanes.

This government claims that it has representatives of labour operating the mobilization work. I say that men who left labour and organized labour and have been in the pay of the government for years do not properly represent labour. What needs to be done first of all, as the hon. member for Cape Breton South (Mr. Gillis) has said, is to get labour organized and then let labour and farm organizations select their own men to represent them on the board, not for a government which has prevented labour from organizing for forty years to go out and select those whom it probably knows from their position will carry out the will of their masters. A partnership between labour and industry as it is operated to-day is like a partnership between the cat and the canary; the canary ends inside the cat. What we need to solve this problem of labour is to have on these advisory boards men selected by labour to act as labour's representatives in directing policy. Labour must be a part owner of industry, just as the people of Canada feel that the natural resources of this country are the birthright of the Canadian people.

Labour will be more efficient when it is organized. There are fewer strikes when labour is organized. Organized labour is satisfied labour, because they know that if they have not their rights they have at least the machinery with which they can work in a democratic way for those rights. What has happened in Kirkland Lake in the past few months is a disgrace to a country or a government which claims that in any way it has the interests of labour at heart.

Resolution reported, read the second time and concurred in. Mr. Ilsley thereupon moved for leave to introduce Bill No. 45, for granting to his majesty aid for national defence and security.

Motion agreed to, bill read the first and second times, considered in committee, reported, read the third time and passed.

PROVISION FOR GRANTING TO HIS MAJESTY AID FOR NATIONAL DEFENCE AND SECURITY

The house resumed from Tuesday, March 17, consideration in committee of a resolution to provide sums not exceeding $2,000,000,000 for the year ending March 31, 1943, for granting to his majesty aid for national defence and security—Mr. Ilsley—Mr. Vien in the chair.

Mr. ILSLEY: I anticipate that there will be some debate on this. To keep the record straight, I should say that at some early stage I shall have to move or have one of my colleagues move to reduce this amount from $2,000,000,000 to $1,500,000,000 because of the fact that a bill has just been passed voting one-quarter of the amount by way of interim supply. But I do not think I need do that to-night; it may be that I should not do that until the $500,000,000 bill has passed parliament as a whole. But just in case anyone wonders why we are voting $500,000,000 and then $2,000,000,000, we are not. This $2,000,000,000 is subject to reduction by the $500,000,000.

It is on this particular measure and at this stage that the defence ministers make their statements and we try to lay the basis for an orderly discussion of the war effort of the government. I see no reason why we should not start right in. The Minister of National Defence is prepared to start now and give some information regarding his department.

Mr. STIRLING: It would appear to me that there must be a correct time at which to make the modification in relation to the $500,000,000. I do not know whether that should be at this stage in committee or on the bill.

Mr. ILSLEY: It will be in committee, I think. I will get information about that. I think that can be attended to to-morrow.

Hon. J. L. RALSTON (Minister of National Defence): I do not propose to make any statement in the sense of the statements which have been made in previous years in connec-

tion with the army activities. I rather felt that they were not regarded as being particularly helpful and that hon. members would prefer to elicit information by way of question and answer. I am, however, prepared to give any information possible and to make a statement on any particular subject which may come up. It has seemed that, in a prepared statement, there has been so much that one has spoken about in which hon. members were not particularly interested, and that one was taking the time of the committee needlessly. Having regard to the fact that the Prime Minister made a statement in regard to army policy along with the policy respecting defence generally in the debate on the address in reply to the speech from the throne, also that I made a statement on February 10, and that we have had since then the secret session in which hon. members will recall that quite exhaustive statements were made, I do not propose to traverse the activities of the department by way of opening because, as I say, it would be waste of time.

I propose now to give to the committee for the purpose of the record a break-down of the figures which my colleague the Minister of Finance gave as being the amount included for the army in the total set out in this resolution. I also propose to deal with one or two matters that have come up in debate and, as I have said, with any other matters the committee desires. Perhaps the committee might indicate if there are any particular subjects on which they would desire statements to be made; that is, apart from the statements which may be made in the form of answers to questions.

May I say just one more word by way of explanation. I am making this statement tonight because I find that an unavoidable appointment will keep me away when the house opens to-morrow. I hope to be back here by four o'clock, or very soon after; and if it should be the wish of the committee, I would arrange that one of my colleagues, the Minister of National Defence for Air (Mr. Power), or the Minister of National Defence for Naval Services (Mr. Macdonald), should be here to go on with some subject in their departments, if this order is reached before I return to the house.

Mr. STIRLING: May I ask if in this statement the minister is going to make any reference to the two new divisions to which the Prime Minister referred?

Mr. RALSTON: Yes, I was going to refer briefly to that matter. In the first place, the break-down of the $997,000,000, together with the functions or definitions and the amounts relating to them, is as follows:

Definition	Non-recurring	Recurring	Total cost 1942-43
1. Canadian formations and functions, presently overseas, including increments to same.....	$ 51,145,019	$443,601,164	$494,746,183
2. Canadian formations and functions to be sent overseas during the fiscal year 1942-43.....	53,027,811	82,346,427	135,374,238
3. Coast defence, special detachments, guards for vulnerable points and other operational functions in Canada.....	42,182,503	123,913,428	166,095,931
4. National Defence headquarters and district services, including depots.....	1,424,079	40,272,364	41,696,443
5. Training and reinforcement functions in Canada, active army and National Resources Mobilization Act.....	14,346,859	60,401,555	74,748,414
6. Reserve army, C.O.T.Cs. and reserve units of veterans guard of Canada.....	9,991,442	20,163,133	30,154,575
7. Miscellaneous army activities in Canada, including C.W.A.C.	1,813,507	8,175,709	9,989,216
8. Revotes of funds already committed.....	43,600,000	....	43,600,000
9. Training equipment not provided elsewhere..	....	595,000	595,000
	$217,531,220	$779,468,780	$997,000,000

Mr. BOUCHER: Would the minister mind explaining the difference between recurring and non-recurring items?

Mr. RALSTON: Generally speaking, non-recurring are capital expenditures; recurring, to use a colloquialism, might be called operating expenses. That does not perhaps apply to departmental expenditures generally, but it indicates the rough division between the two terms.

On January 26, I think it was, the Prime Minister indicated what our programme was for 1942-43. I dealt with the same matter also at some length, so I shall not take time

to go over that again except to remind the committee, so that we may get a running start, that we have the first, second and third infantry divisions overseas, together with the fifth armoured division, and an army tank brigade. We have the fourth division in Canada. These are all active units. The proposal is, and the programme for this year is, to convert the fourth infantry division into an armoured division and to mobilize an army tank brigade, which will be in addition to the army tank brigade which is now overseas. The expectation is to dispatch the fourth armoured division and the army tank brigade which is to be mobilized, together with a considerable number of corps and army troops, overseas during this year, so that if the programme is carried out, our overseas representation will be five divisions, two of which will be armoured divisions and three of which will be infantry divisions, together with two army tank brigades.

Those are the formations. In addition, there will be a very substantial number of army troops, and corps troops, that is to say, on lines of communication. The committee will realize that, as I have said before, the number of men in the division itself, that is to say, what we regard as the division proper, is augmented and has to be augmented and supplemented very considerably by men on lines of communication, for working with the corps and for working with the army.

We emerge, then, with two corps. It was stated by the Prime Minister that one of the two corps would consist of three infantry divisions and the other corps of two armoured divisions. That may or may not be the composition of those corps. We want to have them perfectly flexible, and it may be that the composition of the corps will change from time to time, depending upon whether or not it may be desirable to use an armoured division with an infantry division, or an armoured division with two infantry divisions, or otherwise as the case may be. Those two corps will compose the Canadian army, which will have an army headquarters and will be a complete organization, what I described before as a hard-hitting, fast-moving fighting force ready to take on any job which may present itself. That does not mean by any means that this army has to fight as a unit. I have said before, and I repeat, that those with whom we are associated understand full well —and I know this personally because I have made it clear to them myself—that the Canadian army and the Canadian troops are, as the Prime Minister said the other day, for the purpose of serving the common cause to the very best advantage, that they are prepared to serve in whatever theatre and in whatever way may be considered best, having regard to the task which has to be done.

That is our overseas programme. That will require, as I anticipate, something like 100,000 men by the end of the ensuing fiscal year. Of those, roughly 25,000 will be for new units, that is to say, for those additional corps and army units, and something like 75,000 for reinforcements.

Mr. GREEN: Those are all for overseas?

Mr. RALSTON: Yes, or intended for overseas.

Mr. STIRLING: That would add up to nearly 200,000?

Mr. RALSTON: Yes, it would add up to nearly 200,000. But of course the house will understand that when reinforcements are needed and go over, it means that they will be taking the place of some men now there, so you do not add together all the proposed reinforcements and all the men you have over there.

Mr. GREEN: I did not get that clearly. Did the minister say there would be a total of 175,000 go overseas this year?

Mr. RALSTON: Yes. I have in mind that the army will have something like 175,000, but it all depends upon casualties, as my hon. friend knows.

Mr. GREEN: Did you mean that there were 175,000 to be raised for overseas this year?

Mr. RALSTON: No. I said 100,000, of which 25,000, roughly, were for new units, and 75,000 for reinforcements. That is our programme.

Mr. STIRLING: Will they be ready by the end of the year?

Mr. RALSTON: I would think so, yes—earlier than that. That is our programme for overseas, as we see it at the present time. I intimated, in addition, that we had certain plans in Canada. Certain special dispositions had been made, due to the worsening of the situation following Pearl Harbour. These dispositions had been made particularly on the east and west coasts.

I need hardly say one of the most important items of those dispositions was the formation of anti-aircraft batteries—that is, so far as the army is concerned. That has been followed up. Along with that, as the Prime Minister said yesterday, has gone the formation of about a dozen new infantry battalions, and a certain number of additional artillery batteries and other arms of the service.

In addition to that, there has been authorization for an organization of reserve brigade groups. That is to say, reserve

battalions across Canada have been authorized in each district to form into reserve brigades, and permanent staffs have been provided for those brigades, in order that they may have training, and be in a position to assist in connection with the defence of Canada, should the need arise.

In addition to that, there have been arrangements made for the organization of men in training centres into a special formation for use in emergency conditions.

All those are, of course, in addition to the fourth division, which is now in Canada; in addition to the three brigade groups of the sixth division, which is in Canada; and in addition to the coast defence artillery units, and their supplementary services, which are on both coasts.

That would have been quite a comprehensive programme. Then, in addition to that—it was not in the Prime Minister's announcement—I should point out to the committee that we have authorized the completion of the sixth division as a self-contained formation, by providing divisional troops and divisional headquarters which, along with the three brigade groups of the sixth division, which have been mobilized for some time, will form a complete sixth division.

Mr. GREEN: Does that include artillery?

Mr. RALSTON: Artillery, engineers and all units of other services. The commanding officer of the sixth division will be, I expect, named very shortly.

Then, as the Prime Minister said, we have authorized the mobilization of the seventh division. That is to say, it will be the mobilization of a complete seventh division, which means the infantry battalions, plus all services—artillery, engineers, signals, army service corps, medical corps, and so on—a complete division.

That division will be mobilized and composed of units which are already in being by forming them into brigades, and putting alongside them in brigade groups the various services required. Headquarters will be provided as well.

Following that will be the mobilization of the eighth division, which will also be formed, I anticipate, from units which have already been mobilized—or some which have been mobilized very recently, and probably with the addition of some to be mobilized. Hon. members will understand that that does not mean that the formation of the seventh and eighth divisions simply means the conversion into divisions of battalions which up to this time have been individual battalions. That will be so, but battalions will have to be organized to take the place of those battalions which will go into these two divisions. That is to say, we are adding to our strength in Canada to the extent of these divisions.

Mr. WHITE: Will they both be active divisions?

Mr. RALSTON: They will be active home defence divisions, and they will be composed of men, largely, who will be called up under the National Resources Mobilization Act.

Mr. WHITE: Will they be active force units?

Mr. RALSTON: They will be active force, in the sense that they will be full-time units.

Mr. WHITE: But they will be reserve force units?

Mr. RALSTON: They will be active; they will be home defence forces on active service.

Mr. STIRLING: But not attested.

Mr. RALSTON: No, not attested. They will be home defence forces on active service.

Mr. WHITE: Do you call them active forces?

Mr. RALSTON: I am calling them that. Each of these units will have some in them who are attested. A very large proportion will be men who have been called up under the National Resources Mobilization Act.

Mr. GREEN: That is true of the sixth division also.

Mr. RALSTON: The sixth division was very much less. I would say probably 20 per cent, or less, are under the National Resources Mobilization Act at the present time.

Mr. WHITE: Is it the intention to take any of the present second battalions, and make them a part of the seventh and eighth divisions?

Mr. RALSTON: Some of the second battalions may be taken and made part of the divisions, and some of them may be mobilized to take the place of the battalions which have been made part of the divisions. I can say to my hon. friend that after the operation has been completed and the two divisions have been formed, and units have been formed to take their place, I would anticipate that so far as infantry is concerned there will be practically no units which will not have a representative either overseas or mobilized in Canada. That will mean that second battalions will have to be formed for units which will be mobilized.

Mr. STIRLING: Will that not mean that the reserve to which the minister has referred as the second defence string will be largely depleted?

Mr. RALSTON: No; the units mobilized will then form reserve battalions.

Mr. STIRLING: New ones?

Mr. RALSTON: Yes. Second battalions will be formed; that is the general programme.

Mr. TUSTIN: Will reserve battery units be mobilized?

Mr. RALSTON: I anticipate that the first infantry units will all be mobilized. I cannot be sure, without counting up with regard to the other units. But, answering the hon. member for Yale, do not let anyone think there will not be plenty of second battalions still in existence. I am answering the hon. member for Hastings-Peterborough, too. Probably there are eighty or ninety second battalions still in existence.

That is the programme, very roughly, for the year. In that connection I do not believe I have anything more to say at this time. The committee will have an opportunity to get such information as I can give it, subject to this, that I do not feel I can give the proposed disposition of these new divisions, except to indicate what was said by the Prime Minister, namely, that they will be used as mobile reserves for the east and west coasts at the present time. That will mean that when the mobilization is complete there will be, until the fourth division goes overseas, the fourth division, the sixth division, the seventh division, the eighth division, plus the coast defence battalions on each coast, of which there are quite a number. That is in addition to the coast defence artillery.

Mr. HAZEN: How long will it take to complete the mobilization of these two divisions?

Mr. RALSTON: I think the mobilization of the seventh division will be completed within a comparatively short time, and the eighth division will be completed perhaps sooner than my hon. friend expects.

Mr. WHITE: How soon will the names of the units be announced?

Mr. RALSTON: I have them under my hand for the seventh division, but I am not in position to announce them at the moment. I may say to my hon. friend that it is not because I have no desire to give them, but simply because it is felt that these should not be given out publicly. I refer to the list of so-called "Order of Battle" from which a man can find out that his particular unit has been called up. This "Order of Battle" has not been given out, and perhaps hon. members will note that it is not being given in the *Canada Gazette*. If my hon. friend wants to know about any particular unit, I can give him the information.

Mr. GREEN: Will the minister explain about the reserve army? Figures have been given from time to time showing that there are about 140,000 men in the reserve army, and a return brought down in this house shows that about 62,000 of these are men who were called up for thirty days' training under the National Resources Mobilization Act and then returned to their homes after completing their training. The only connection they have with the army is that their names appear on the nominal rolls of the reserve units to which they have been posted. In other words, they have not been taking any training with the reserve units at all and are really no longer in the army; yet they are always shown as part of the reserve army. This would appear to make the strength of that reserve army quite a lot larger than it really should be. It really amounts to a paper strength. Furthermore, there was a return No. 1241 brought down on March 23 which includes a copy of a letter from the acting deputy minister for the army to the under-secretary of state, which contains this paragraph:

> No information is available concerning the number of enlistments among personnel who were called for 30 days' training and who have not yet been recalled for further training.

In other words, of these 62,000 men we do not know how many have enlisted for active service. They may be in the active army, the navy or the air force; they certainly are no longer in the reserve army. I think these points should be cleared up by the minister.

Mr. RALSTON: My hon. friend is perfectly right when he says that when men enlist in the active forces, they are not available as part of the reserve army.

Mr. GREEN: But they still appear as part.

Mr. RALSTON: I heard what my hon. friend said. I understand about that. To that extent I think the figures are incorrect, but it does not mean that we have lost those men. It means that they have become more useful than if they were still in the reserve army—

Mr. GREEN: I maintain—

Mr. RALSTON: Will my hon. friend just permit me to finish the sentence? It means, of course, that they are being counted in the reserve army and in the active army too. I

think my hon. friend is perfectly right in his criticism. I know of no way that that could be corrected except to take a percentage.

My hon. friend is not quite correct in his reference to paper strength. These men have had thirty days of intensive training. Knowing what I do of the training of the reserve army, I would think that really qualifies them to be members of the reserve army. I quite understand that they do not go to the armouries, but they are there and available for the reserve army and therefore I think they might properly be counted. My hon. friend is only repeating what he said in the house the other day. He referred to the reserve army and much to my surprise indicated that he thought the reserve army should be called up compulsorily for training.

Mr. GREEN: I said if they could not be obtained in any other way.

Mr. RALSTON: That is how I would have expected my hon. friend to put it, rather than the way I put it. It is the easiest thing in the world for the Department of National Defence to make a requisition to the Department of National War Services for them to ask so many men to report for training. The reserve army is a citizen's army, organized and mobilized for the primary purpose of defending the homes of the people who are in them and their communities.

Mr. GREEN: Then these 60,000 should not be counted in the reserve army.

Mr. RALSTON: I say that that is not the idea of the reserve army. It is pointed out by my officers that the suggestion which my hon. friend makes that they should be called up for compulsory service is a complete negation of our whole idea of the reserve army. But I say to him that if it is necessary in this time of stress to call on our citizens compulsorily to defend their communities, then it will have to be done. But I do feel that we ought to give these citizens a proper opportunity to enlist in that reserve army and to do their share with respect to the defence of their homes and the communities in which they live. The reserve army essentially is one which lives and thrives on the patriotic fervour and self-denial of the men who are in it, men who are willing to give up something for the sake of assisting in the defence of their country; men who are willing to stay after hours; men who are willing to take extra classes; men who are willing to make the best use of little equipment perhaps; men who are willing to wait for their turn on a piece of equipment in order that they may fit themselves. I feel just as strongly as my hon. friend, perhaps a little stronger, with regard to calling men up compulsorily, but I do feel that we should not do that until we have made dead sure that the citizens in these communities understand what their responsibilities are and have had an opportunity to fulfil them.

It is obvious that the citizens are not coming into the ranks of the reserve army as we would like them to. There are only two ways to get them, voluntarily or by calling them up. There is a place for the reserve army in our organization. Men below 19 years of age or from 35 to 50 years are taken into the reserve army. Recognition is given to the fact that these are men who probably are not in a position, because of age, family responsibility, or business responsibilities, to take their part in the active army. We have just decided to do one thing more in this respect, that is to lower the age limit from 35 to 30 years in the case of married men. We are doing this in the hope that we will get more men into the reserve army. I say to my hon. friend and to the committee that I am perfectly ready to consider the calling up of men compulsorily for the reserve army if that is the only way in which they can be brought in. I hope that will not be so because I think it would defeat the spirit which is behind the reserve army and which has done so much to build up the active battalions we have. The whole Canadian army has been built up on the reserve army. The units which are overseas were reserve army units which were mobilized. This is entirely different from the situation in the last war. As I say, the whole army is built up on the organization, the esprit de corps, of the units of the reserve army.

Mr. GREEN: Does the minister not think that the best way to build up the reserve army would be for the government to decide how many men it wants and then make an appeal to the people of Canada for that number to enlist? These men have had all kinds of discouragements, and I am not surprised at all that there has been great trouble in keeping these units up to strength. The position now, it is quite evident, is that there are only about 80,000 men in the reserve, the difference between that number and 140,000 being made up of these thirty-day trainees, and they by the way are not volunteers, so they do not fit in with the minister's description of the purposes of the reserve army. It does seem to me that if the ministry

would announce how large a reserve they are going to have—100,000 or 200,000 or whatever the number may be—and then go out and appeal for these men, they would have no trouble in getting them.

Mr. RALSTON: I am not going to let my hon. friend or any other member of this house suggest that the government should necessarily set a target for the total reserve army. My hon. friend knows perfectly well the reserve units in a particular community. Their officers know the number of men they want and all you have to do is to ask them. It is the community that primarily has to do with the reserve units. We have reserve brigade groups right across this dominion. We have reserve units in each district, and I ask hon. members to assist in encouraging a community spirit and in asking men to go into the reserve army. If the emergency exists which has been pointed out in this house and in the country, I cannot conceive of men not responding if the matter is properly put to them, not only by the government, but by people in their own community.

Mr. GREEN: If all the reserve units were brought up to strength, what would the total strength of the reserve army be?

Mr. RALSTON: I cannot tell my hon. friend without knowing the number of the reserve units.

Mr. WHITE: What is the approximate strength of the reserve army now, after subtracting the number of thirty-day trainees?

Mr. RALSTON: My hon. friend has been given the figures. I have not the strength returns, but if there are 140,000 on the reserve army and 60,000 of supernumeraries, that makes 80,000.

Mr. WHITE: I understand that 90,000 men were called for thirty days' training.

Mr. RALSTON: But a good many of them have been called up and are on service now. That number is going down all the time as men are called up for four months' training and going into active service. That number is getting less and less. Do I make myself clear?

Mr. GREEN: If the minister cannot say how many men will be required to complete all the reserve units, surely he can tell the committee how many men will be required to bring up to strength all the reserve units which have been ordered brigaded.

Mr. RALSTON: For one reserve brigade, about 3,000 men. Multiply that by eleven districts; eleven times 3,000 would make it 33,000.

Mr. WHITE: Is it the intention of the department to have one brigade in each military division, or will all the reserve force units be brigaded in time?

Mr. RALSTON: The plan has not been to brigade all the reserve force units. The brigade plan was for a special purpose at a particular time. The reserves have never been brigaded, with an active full-time brigade staff. They have been in their regular brigades in their particular locality, but all on a part-time basis. For operational purposes administration and training staff have been provided for one brigade in each of the districts. That does not mean that the other reserve units are not operating as they always have been.

Mr. GRAYDON: From what medical categories are the reserve army drawn?

Mr. RALSTON: I think it goes down as low as "C", but I cannot tell my hon. friend to-night. My hon. friend the member for Vancouver South asked me a question with regard to the reserve army and with regard to strength, and that gave me an opportunity to give the committee what I had made a note of, namely my hon. friend's suggestion that the reserve army should be completed by the calling up of men for service under the National Resources Mobilization Act. May I say to him that I thoroughly agree with some of the things that have been said. The reserve army has had a good deal of discouragement. Their functions have been changed twice that I know of, having regard to the particular situation in which we found ourselves. The reserve army units at first had the expectation of being mobilized, and each one of them held on to the men in their particular ranks as active service men. They did not want them to go as reinforcements because they entertained the hope that they would be mobilized for active service. That hope faded in a great many cases; some of the active service men went to other units from the locality or elsewhere, and that caused discouragement. The suggestion was made and followed of setting up an organization whereby they were asked to keep a certain percentage of their personnel in the active service category, A category men, so that they could furnish reinforcements and at the same time carry on reserve units proper. Then that was reviewed. Representations were made to the department by some of the reserve units themselves. They felt that the reserve units were in competition with the active service units in the matter of recruiting, and they felt that the age limit should be changed so that men between 19 and 35 years

of age would not enlist in the reserve units. That age limit has been in force now for some little time. As I have indicated, an order is just going out now that the age limit will be changed for married men from 35 to 30.

Mr. BOUCHER: What is the situation about the single man from 30 to 35 who cannot enter the reserve army and cannot be called up? Would the minister tell us about that?

Mr. RALSTON: What does my hon. friend mean by "tell us about that"?

Mr. BOUCHER: What is to become of that particular class?

Mr. RALSTON: I suppose they could enlist.

Mr. GREEN: They cannot be called up under the National Resources Mobilization Act.

Mr. RALSTON: These men can enlist. Under the National Resources Mobilization Act, all one has to do to call them up is to issue a proclamation increasing the age limit. That has not been done, but a proclamation can be issued, and probably might be in the very near future, so that these men could be called up. In the meantime, they can enlist in the active service.

Mr. GREEN: Why should there be that gap? The Prime Minister announced that the government was only going to call men up to thirty years of age, from twenty-one to thirty, and they are to be chosen by lot. Why that gap between thirty and thirty-five? You are allowing the married men from thirty to thirty-five in the reserve, but not the single men.

Mr. RALSTON: The government did not announce that they would not take men over thirty but that they would take any man up to thirty. They may announce at any time that they will take any man from thirty to thirty-five. I think it is perhaps a pretty good policy that single men from thirty to thirty-five should be encouraged to enlist. It has been represented by officers commanding units that there are cases in which a man does not realize his duty to enlist if he is in a reserve unit. The situation is that there is a place for that man to serve. He has not been called up at the present time, but he may be called up. I do not see any harm being done to the national interest or to the army by what my hon. friend calls that gap, which is really not a gap at all.

Mr. GREEN: A man from thirty to thirty-five is supposed to enlist in the active service force, but a man from twenty-one to thirty is called up for home service. Why are they not all treated in the same way?

Mr. RALSTON: I would say that the man from twenty-one to thirty has the same opportunity to enlist in the active service forces. The man from twenty-one to thirty has two opportunities: he is liable to be called up, and his alternative is to enlist in the active service forces. The man from thirty to thirty-five is not liable to be called up as the proclamation stands at present. But he does have the opportunity, or liability, or obligation, or whatever he may want to call it, to enlist from thirty to thirty-five. If any preference were given, it was given to the man from thirty to thirty-five.

Progress reported.

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

Friday March 27, 1942

The house met at three o'clock.

STANDING COMMITTEES

AGRICULTURE AND COLONIZATION—CHANGE OF PERSONNEL

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That the name of Mr. Graham be substituted for that of Mr. Turgeon on the standing committee on agriculture and colonization.

Motion agreed to.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 20 for the relief of Eleanor Adele Rea Barrett.—Mr. Bercovitch.

Bill No. 21 for the relief of Eleanor Edith McKechnie Barlow.—Mr. Whitman.

Bill No. 22 for the relief of Dorothy Agnes Henrietta Russell Cantlie.—Mr. Whitman.

Bill No. 23 for the relief of Irene Coadic Murphy.—Mr. Hill.

Bill No. 24 for the relief of Lester Lewis Catchpaw.—Mr. Davidson.

Bill No. 25 for the relief of Annie Ruth Fisher Allen.—Mr. Hill.

Bill No. 26 for the relief of Alice Adelia LaFleur Johnston.—Mr. Bercovitch.

Bill No. 27 for the relief of George Webb.—Mr. Boucher.

Bill No. 28 for the relief of Edith Morgan Black.—Mr. McIlraith.

Bill No. 29 for the relief of Betty Leah Bregman Beloff.—Mr. Whitman.

Bill No. 30 for the relief of Malca Levitt, otherwise known as Atty Malcy Levitt.—Mr. Bercovitch.

Bill No. 31 for the relief of Jack Simon.—Mr. Bercovitch.

Bill No. 32 for the relief of Marie Louise McCarthy Smyth.—Mr. Boucher.

Bill No. 33 for the relief of Marie Glenna Grace Thomas Reynolds.—Mr. Hill.

Bill No. 34 for the relief of Isabel Jessica Black Jolley.—Mr. Abbott.

Bill No. 35 for the relief of Margaretha Elisabeth Buck Peereboom.—Mr. Bercovitch.

Bill No. 36 for the relief of Ethel May Marshall James.—Mr. Bercovitch.

Bill No. 37 for the relief of Anastasia Tkaczuk Wojtkowycz.—Mr. Bercovitch.

Bill No. 38 for the relief of Phyllis Wilda Valentine Park Evans.—Mr. Abbott.

Bill No. 39 for the relief of Louise Mehliss Jackson.—Mr. Bercovitch.

Bill No. 40 for the relief of Bertha Beatrix Berlind Ripstein.—Mr. Boucher.

Bill No. 41 for the relief of Lola McIntosh.—Mr. Macdonald (Brantford City).

Bill No. 42, to incorporate the Canadian Dental Association.—Mr. McIlraith.

SECOND VICTORY LOAN

COMMISSIONS AND OTHER COSTS—CASH AND CONVERSION SUBSCRIPTIONS—APPRECIATION OF SERVICES OF COMMITTEES

On the orders of the day:

Hon. J. L. ILSLEY (Minister of Finance): I think I should make a statement regarding the second victory loan before the house adjourns. The main part of this statement will relate to commissions and other remuneration paid in connection with the sale of the second victory loan bonds. I make this statement because certain hon. members of the house have been good enough to call to my attention certain reports which are apparently circulating in some sections of the country. These are so obviously false as to suggest that they have been inspired by sources which have a selfish interest in undermining and impeding Canada's war effort.

Unfortunately it will be some time yet before all the payments have been made and the returns completed in connection with the loan, and therefore I cannot now give the actual dollar amounts of payments that will be made to those who rendered services in connection with the campaign. However, I can and wish to give the house the basis upon which the payments will be made.

First, let me deal with the commissions paid to individual salesmen. The basis of these commissions will be five-eighths of one per cent on subscriptions to the twelve-year bonds and three-eighths of one per cent on the six-year bonds. This represents an increase of one-eighth of one per cent compared with what was paid in connection with 1941 victory loan, but it must be noted that this time no commission will be paid on subscriptions classified as employee subscriptions. Moreover, no commission will be paid on conversion subscriptions to the two and one-half year bonds which were not issued for cash, or on subscriptions from subscribers included in the special names category. Last year we found that in a good many instances, particularly in the case of salesmen working in rural districts or other districts which for one reason or another did not represent good sales territory, the amount of commissions paid served to do little more than cover out-of-pocket expenses of the salesmen. Provision was therefore made this time for more extensive pooling of part of the commission by provincial and local committees so that fair treatment could be rendered to each salesman no matter what the type of sales territory in which he was assigned to work. My hope is that this arrangement will result in reasonably fair treatment to all the individual salesmen. In this connection it should be remembered that the salesmen used in the campaign were drawn away from their usual occupations, and had not only to devote their full time to the sales of bonds while the campaign was on but also had to spend considerable time in preparation and training during the three weeks period before the campaign actually commenced.

Next I deal with the remuneration to banks, trust and loan companies, Quebec savings banks and other savings institutions (province of Ontario savings offices, Alberta treasury branches, and La Federation des Caisses Populaires Desjardins). No selling commission of any kind will be paid on sales made to the public by the various branches of the banks or these other financial institutions. However, we will pay a service fee for the varied services they rendered in entering subscriptions and handling the payment and delivery of the bonds to purchasers. This service fee will be at a rate of one-quarter of one per cent of the par value of bonds serviced by each such institution calculated in accordance with the regulations.

With regard to the remuneration to be paid to investment dealers and stockbrokers, provision has been made for investigation of the services rendered and recommendation to me of a fair basis of remuneration for such services by a committee consisting of the chairman of the national war finance committee, the securities advisor of the Bank of Canada, and the deputy minister of finance. In arriv-

ing at this basis of remuneration, the committee will take into account the number of different types of personnel made available to the national war finance committee for varying terms of employment, which extended over a period of four months in many cases, and will also have reasonable regard to the past record of performance of the various firms in connection with dominion loan campaigns.

The house may recall that the total expenses in connection with the first victory loan campaign, including not only commissions and other remuneration for services rendered but also advertising and publicity expenses, printing and distribution of bonds, et cetera, amounted to only 1·09 per cent of the total amount of the issue. It is anticipated that total expenditures in connection with the second victory loan campaign will represent a slightly lower percentage of the total issue. There has been some criticism in certain quarters of some aspects of the loan campaign. In my opinion these criticisms are unfounded. The campaign itself was a striking success, the reports I have received pay uniform tribute to the highly efficient organization which was developed, and I think the house will agree that the percentage cost figures which I have just indicated represent a very economical cost of raising a public loan of this magnitude and character.

In conclusion, I wish to express at this time and in this place not only the keen appreciation of the government and myself, but also I hope of this parliament, for the fine services rendered in this very important campaign not only by members of the national war finance committee, which includes the provincial chairmen, but also by a great many other voluntary workers in provincial and local committees who gave unsparingly of their time and energy to make the campaign the success it proved to be. Because, apparently, there has been a rumour circulating to the contrary, I wish to emphasize the fact that with the single exception of one provincial chairman serving in a western province and who because he is devoting his full time to the work of the national war finance committee receives a modest compensation, these persons gave their services without any remuneration.

Before I take my seat, it may be of interest to the house if I now give the latest figures we have available in regard to the results of the loan. Figures compiled as at March 14th, show a total number of subscribers of 1,643,013, and a total volume of subscriptions of $993,884,350. Of the latter total, $841,766,350 represented cash subscriptions, and the remainder, $152,118,000, represented conversion subscriptions. These figures are not as yet final but they will probably approximate the final results. The house, I think, will agree that these are astounding results for a loan offered to the public in the middle of winter and only one month prior to the due date of heavily increased income tax payments.

CANADIAN WHEAT BOARD ACT

PROVISION FOR INCREASED RATE PER BUSHEL ON WHEAT DELIVERED BY PRODUCERS

Hon. J. A. MacKINNON (Minister of Trade and Commerce) moved that the house go into committee on Bill No. 13, to amend the Canadian Wheat Board Act, 1935.

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

On section 1—Payments to producers delivering wheat.

Mr. WRIGHT: Mr. Chairman, as one of the members who asked that the committee on agriculture should be called together to consider the bills relating to agriculture, I should like to make a few observations on this matter.

Last year I was a member of the committee which dealt with pensions and returned soldier problems. That committee accomplished a good deal of excellent work. We met as a group of returned men, not as members of political parties, to consider the recommendations which had been made, and as a result of our work we offered certain suggestions to the government, which to a great extent were accepted. I was in hopes that when the agriculture committee met, the procedure would be something similar, that we would meet as a group of members representing agricultural constituencies, to consider the problems of the wheat growers of western Canada.

I am sorry to say that this was not the case. Even before the committee met, its work was prejudiced by the remarks of certain members on the government side of the house. The hon. member for Moose Jaw (Mr. Ross), speaking the day before the bill was referred to the committee, is reported at page 1382 of *Hansard* to have said:

> The changes in policy this year, as brought down by the government, have been accepted by hon. members in the government and followers of the government in the house, and for that reason they will finally pass the house as they are. No number of speeches made by hon. members can change that position. They did not even know what was going to happen until it came down in the house.

That is an entirely wrong spirit in which to refer any measure to a committee. We found when the committee met that the same condition prevailed in the committee. The Minister of Agriculture (Mr. Gardiner) told us that we could make representations, but that it was altogether unlikely that the government would be prepared to accept them, and that it had already viewed these bills from every angle. He pointed out that everything that could be said with respect to them had already been said in the cabinet, and it was doubtful whether anything we would recommend would be accepted, if it entailed any further expenditure of money.

Under such circumstances it was pretty hard in committee to get anything which would give western agriculture a better deal than it had been receiving in the past. We did, however, recommend certain changes. We recommended a change with respect to basic acreage, as covered in section 3 of Bill No. 12. But that recommendation was not accepted by the government, and the bill went through in almost the same form as that in which it had been presented to the committee.

There were many of us who thought that in the consideration of Bill No. 14, to amend the Prairie Farm Assistance Act, a change should have been made to bring into the bill the principle of insurance. We were told that this was ultra vires of the British North America Act. It will be remembered, however, that when the government wished to introduce unemployment insurance it found a means to get round that difficulty; and I am sure, if it desired, it could find the means of developing from the Prairie Farm Assistance Act a comprehensive insurance scheme. A recommendation which was made in the committee that the government give further study to this matter was voted down. The fact that the committee on agriculture voted down a recommendation that the government should consider and study the matter of crop insurance does not seem to reflect the exercise of any great amount of intelligence. In the United States this matter has been considered for a number of years, and they have introduced a comprehensive scheme of crop insurance not only for wheat but for cotton and many other agricultural products.

These three bills taken together do not place the western wheat growers in any better position to-day than that which they occupied last year. Last year, under the prairie farm income legislation the farmers of western Canada were paid approximately $20,000,000. Under the Prairie Farm Assistance Act, as it operated last year, they were paid something over $11,000,000. This year that act has been amended so as to exclude those having crops of from eight to twelve bushels to the acre. Last year $7,000,000 of the money paid under the act was paid to this class. Wheat acreage reduction payments last year were made on the basis of $4 an acre; this year the basis is reduced to $2 an acre. This means that $11,000,000 less will be paid under the act next year.

The basic acreage under the wheat acreage reduction bill was changed. Under the new regulations it will mean that the bonus will be paid on a million less acres than last year. This means another $2,000,000 less that the farmers of western Canada will receive. In all, a total of $40,000,000 less will be paid under the regulations this year than was paid last year. If we take the crop we had last year, one of 200,000,000 bushels, and pay an additional 20 cents a bushel on it, as is recommended under this measure, we find that we have an additional payment of $40,000,000. On the other hand—

Mr. CRERAR: I do not think the hon. member is discussing this bill at all. He is discussing other measures which were before the house on earlier occasions. This bill provides only two things: first, to change the price from 70 cents to 90 cents and, second, to include the word "mills". My hon. friend is discussing the acreage bonus, and matters of that kind, which have nothing to do with the bill.

Mr. MacINNIS: On the point of order, while I did not take part in the discussion, my understanding is that all the bills were discussed interchangeably, or at the same time. I believe that was done to facilitate discussion on the whole question. If the hon. member for Melfort believes that that procedure is necessary on this occasion, I suggest he should be allowed to proceed.

Mr. CRERAR: I would draw the hon. member's attention to the fact that an arrangement was reached in preliminary discussions, on second reading of these bills in the house. The bills were then sent to committee, and this bill was reported back without amendment. I suggest it is stretching the understanding too far if we are to permit the same discussion at this stage.

Mr. WRIGHT: I was discussing the other bills only as they relate to this one. I have, however, completed that phase of the matter, and I shall not pursue it further.

With respect to the bill before the committee, we were informed in the committee on agriculture that we could not be told the price we were receiving for our wheat

because the British government did not think it advisable to state the price at this time. But it will be noticed that the British government have allowed proper prices on other agricultural products. We know the price for cheese, and the prices for pork, bacon and other products have been made public. But there seems to be some deep dark secret so far as wheat is concerned. Perhaps there is a good reason for this secrecy, but I have never been able to see what it was. It seemed very unfair to me that the British government should be willing to pay their own farmers the cost of production, but that it should insist that the price paid to the farmers of western Canada should be less than the cost of production. That does not develop good-will or unity among British countries, but it is a condition which has prevailed up to this year.

Under the billion dollar gift to Britain that condition has been changed entirely. The matter is now in the hands of the Canadian government, and it seems most unfair to us in western Canada to know that our wheat is being sold to Great Britain below the cost of production, thereby compelling us to pay an unfair share of that billion dollar gift. Everything else going to Great Britain under that gift is being sent at a price which at least equals the cost of production. We in western Canada feel that our contribution to the gift should be at a rate equal to our cost.

There are three things these bills do not do which I believe they should do. It seems to me that the 8 to 12 bushel class should not have been eliminated from the provisions of the Prairie Farm Assistance Act, and there should have been no change in the basic acreage provision in the wheat acreage reduction bill.

The ACTING CHAIRMAN (Mr. Bradette): The Minister of Mines and Resources (Mr. Crerar) was quite in order when he contended that hon. members should keep within the limits of the bill. Later on there will be another bill having to do with wheat acreage, but at the present time we are dealing only with the wheat bonus.

Mr. WRIGHT: As I say, the rate should not have been cut. This amendment to the wheat board act provides for a price this year of 90 cents a bushel, but I believe that this price should have been at least $1 a bushel, Fort William, plus participation certificates which would bring the farmer at least a parity price for his product. It seems to me that with these bills we are doing just what the hon. member for St. Antoine-Westmount (Mr. Abbott) referred to about a year ago when he stated that some people believed they were thinking, when they were in reality only rearranging their prejudices. It seems to me that in these bills we are simply rearranging the payments to the farmers of western Canada. We are paying but little more than was paid last year, and with the wheat grower working under the conditions which prevail to-day, this seems to me to be most unfair.

Mr. REID: It has been said that this 90 cents is below the cost of production. I can visualize a man with a five-bushel crop and another one with a twenty-bushel crop, and I cannot just understand what amount a farmer would have to get to cover his cost of production. Could the hon. member tell me what the cost of production really is on a bushel of wheat?

Mr. WRIGHT: The cost of production must always be figured on an average yield. The average yield in western Canada for many years has been between 16 and 18 bushels per acre. In my own section of the country our crops are larger than that. My own average for the past twenty years has been over 30 bushels per acre, but I grow wheat only on land that is specially prepared. You must take the average in arriving at these figures.

Mr. REID: In other words, this 90-cent price would amply pay some farmers, while it would not pay others; would that be correct?

Mr. WRIGHT: There would be few farmers in western Canada who would have made a profit at 90 cents, taking the average for the past ten or twenty years. There may be exceptional cases where a profit would be made, but they would be exceptional. Western Canada asked for a parity price taking 1926-29 as a base, which would be much easier to arrive at than the cost of production. I have in my hand an article which appeared in the Winnipeg *Free Press* of March 4, dealing with what the western farmer is receiving to-day for his wheat. This reads:

> The prairie wheat producers' purchasing power dropped to its lowest point in ten years in 1941, down nearly 21 points from 1940, an index prepared by dominion bureau of statistics showed to-day.
>
> The index was based entirely on wheat. In cases where wheat farmers have turned to production of coarse grains or other products, their 1941 purchasing power compared favourably with that of 1940, officials said.
>
> With yield per acre, farm price per bushel and value per acre taken into account, the bureau index for 1941 stood at 33·3 against 54·2 in 1940, 63·8 in 1939, 44·7 in 1935, 89·3 in 1928 and 100·1 in 1927.

The index basis of 100 established in 1913, when yield per acre was 20·8 bushels, farm price 65 cents a bushel and value per acre was $13.62. In 1941 the yield per acre was 12·9 bushels, farm price 49 cents and value per acre $6.38.

The bureau noted the 1941 average yield was the lowest since 1927. In the present crop year, the farm price of wheat averaged 49·2 cents a bushel from August to December, or 2·4 cents a bushel less than the 1940-41 crop year average. The average value per acre of $6.38 in 1941 was the lowest reported since 1933.

I contend that the western farmer is entitled to at least a parity price for his wheat. That is what the delegation which came to Ottawa asked for; that is all western agriculture has ever asked for—equal treatment with other groups in the dominion.

Mr. FAIR: Mr. Chairman, what I shall have to say has been said year after year and I expect it to receive the same consideration now that it has received in the past. When this delegation of 400 from Saskatchewan, accompanied by representatives from Manitoba and Alberta, came down here, the Minister of Trade and Commerce (Mr. MacKinnon) and the Prime Minister (Mr. Mackenzie King) agreed that their demands were reasonable and fair. On one occasion the Prime Minister went so far as to say that the wheat situation was Canada's problem. I wonder what the Prime Minister is doing about it? Is he going to make it the farmers' problem or Canada's problem as a whole? We have not received the same consideration as that which has been accorded to other groups. We have been picked out and treated as a poor relation. As has been pointed out by the previous speaker, we have been no better off this last year than we were before. I think this fact must be recognized, regardless of any figures which may be placed before the committee. We know from experience that we are in no better position to-day than we were in the past.

We are asking for parity prices for agricultural products, not for one or two products but for all. This group with which I am associated and for which I am now speaking have suggested for a number of years that a price of 95 cents per bushel at the local elevator should be paid. The cost of production has increased tremendously because of the war, and this year we asked for at least $1 per bushel at the local elevators. Of course this would apply only where a farmer has a crop. Where he has no crop, some sound system of crop insurance should be put into effect. This could be done quite easily by amending the Prairie Farm Assistance Act. Consideration of this matter was refused by the agriculture committee, for what reason I do not know. Perhaps the main reason was prejudice and ignorance of the question under discussion. Any one who uses his brains for the purpose for which they were given would not refuse to ask the government to investigate the feasibility of instituting a sound policy of crop insurance. I think it is admitted that we are not being treated the same as other citizens of Canada. Speaking on March 10, the Minister of Agriculture (Mr. Gardiner) had this to say, as reported on page 1211 of *Hansard:*

I would say to him that any member of this house who carries back into western Canada the government's policy in relation to wheat and its policy in relation to other farm products can stand before any audience and explain to the people there that this is the best that can be done under the conditions with which we are confronted in the Dominion of Canada to-day, and the best that has been done in an attempt to settle their problems at any time.

Two wrongs, Mr. Chairman, never did make a right. I say without fear of contradiction that the wheat growers of western Canada have not received the cost of production since 1929, thirteen years ago. Put any other class in Canada in that position—industrialists, bankers, insurance men, or any other group—and after they have been producing below the cost of production for thirteen years what would you have? You would have sit-down strikes all over the country. But the farmers have never gone on a sit-down strike, and so I say that they are among the most loyal citizens of this country. We have also done our share in sending fighting men to the front, and the Minister of Finance will bear me out when I say that the farmers have done more than they were really able to in subscribing such large amounts to the victory loan, about which the minister spoke a few moments ago.

The Minister of Agriculture went on to say in that same speech:

We are taking every last dollar out of the treasury of Canada to deal with these problems which we feel it is safe to take at this present time.

Every other class is accorded its full share before the farmers are even considered. Why should we be treated as the orphans of this country? Why do we have to take the treatment of a stepmother, and carry on below the cost of production? I can see no reason for it. When money is required to pay interest on our national debt or to provide supplies for our fighting forces we can always float a loan —and just here let me say that the Minister of Finance has neglected the one institution which should do the most of Canada's financing outside of the money that is raised by taxation, and that is the Bank of Canada. The Minister of Finance seems to have neglected it entirely. Apparently his advisers and the rulers of this

country have seen fit to decree that the farmers must continue in their present condition of poverty.

Mr. JOHNSTON (Bow River): Shame.

Mr. FAIR: Yes, because for a number of years past we have produced figures in this house, supported by argument, to show that the farmers have been and are still producing at below the cost of production, yet the government has not seen fit to alter that condition. As I see it, we shall have to have others on the treasury benches before the farmers will get fair treatment. It is my intention when I go back to my constituency to tell the farmers, as I shall continue to tell this house, that until they organize and vote in their own interest when election day comes, they can expect no better treatment than they are receiving and have been receiving for years past.

Mr. KUHL: I should like to ask the Minister of Agriculture a question based on the quotation from one of his addresses in this house which the hon. member for Battle River has just made, to the effect that the government was taking out of the treasury to deal with agricultural problems every last dollar it felt safe in taking. If funds were made available to the department for raising the price of wheat from 70 cents to $1 or to a parity price or whatever is considered a just price, would the minister go so far as to recommend to his department that this money actually be paid?

Mr. GARDINER: In the first place, Mr. Chairman, I made my speech on the second reading of the bill, and the statement which has just been quoted is fully explained in that speech. If my hon. friend wishes to read it he will find the explanation there. In the second place, this bill is introduced not by me but by the Minister of Trade and Commerce. No amount of money will be paid into my department, or for that matter into the Department of Trade and Commerce, to be paid out on wheat.

Mr. KUHL: Then I will ask my question of whichever minister is responsible. It is a pertinent question, and if the Minister of Trade and Commerce is the responsible minister I should like to hear his reply.

Mr. GARDINER: No money is paid into a department to be paid out on wheat. The wheat is delivered at the elevators in western Canada, and the amount paid out on the wheat is paid out through those elevators. There is no money paid out on wheat through any department of the government.

Mr. KUHL: I think the ministry understand the question which I am trying to have answered, and it is a fundamental point. The government has taken the position, as one would assume from the quotation from the speech of the Minister of Agriculture, that the reason the farmers are not paid more for their wheat is that there are not sufficient funds in the treasury. Is that so or is it not? I ask this further question: If the funds were made available for that purpose, would the government go so far as to recommend a price of $1 or $1.40 or whatever the parity price may be?

Mr. WEIR: Parliament has to make the funds available.

Mr. KUHL: What has the Minister of Trade and Commerce to say?

Mr. MacKINNON (Edmonton West): The question is based on a statement alleged to have been made by my colleague the Minister of Agriculture, not on a statement made by me, and I do not think the question can properly be addressed to me. In any event it is more or less a catch-question; I do not think the hon. member is really serious in expecting an answer.

Mr. JOHNSTON (Bow River): It is right enough that the Minister of Trade and Commerce should not be held to account for the statements made by the Minister of Agriculture.

Mr. KUHL: I am much in earnest in asking the question and in expecting an answer. It has been definitely established, I think, by all those who have spoken on behalf of the agriculturists that they are deserving of far more consideration than they have received as compared with other classes in Canada. My opinion is that the reason the farmer is not being helped more is that the government is limited in its assistance to the farmers because of its financial policy and nothing else. If that is not correct I should like to be told so.

Mr. GARDINER: That is not correct.

Mr. KUHL: Then I cannot understand the statement of the Minister of Agriculture that the government is taking every dollar out of the treasury to help the farmers which it feels safe in taking. Certainly more funds can be made available, and if more funds can be made available I see absolutely no reason why the farmers should not receive $1 or $1.40 for their wheat.

Mr. QUELCH: I had not intended to take part in this discussion, but the point raised by the hon. member for Jasper-Edson (Mr. Kuhl) is an interesting one and, I think, should be answered. If the Minister of Trade and Commerce (Mr. MacKinnon) will

not answer it I suppose we shall have to wait until the appropriation bill is before us and get the Minister of Finance (Mr. Ilsley) to answer it. All the farmers' organizations requested a price of $1 a bushel, and I do not think the Minister of Trade and Commerce or the Minister of Agriculture or any other minister has endeavoured to show that $1 a bushel would be an unfair price. The Minister of Agriculture, on the contrary, has stressed the fact that the government is paying every last cent out of the treasury to help the farmers, that it is scraping the bottom, so to speak. If $1 a bushel is a fair price, and if the government feels that to pay the farmer more than ninety cents a bushel would, by increasing the effective demand of the farmers, be likely to bring about inflation, could the government not make up the difference between ninety cents and $1 a bushel by giving the farmers war savings certificates maturing, we will say, at the end of the war? Then, as they would not be able to cash them, the danger of inflation would be removed, but at the same time the farmers would receive a price equal to the cost of production. They would be able to put these war savings certificates into a sinking fund, so that at the end of the war these certificates could be used to pay off the debts which the farmers are bound to incur as a result of not being able to get the cost of production. If the minister will not answer that, perhaps the Minister of Finance would? Well, we will raise it on the appropriation.

Section agreed to.

Section 2 agreed to.

Bill reported, read the third time and passed.

WHEAT

MEASURE TO PROVIDE ACREAGE REDUCTION AND CERTAIN PAYMENTS TO FARMERS—CONCURRENCE IN SENATE AMENDMENTS

Hon. J. G. GARDINER (Minister of Agriculture) moved the second reading of and concurrence in amendments made by the Senate to Bill No. 12, respecting wheat acreage reduction.

Mr. STIRLING: What are these amendments?

Mr. GARDINER: The hon. member who at the moment is leading the opposition asks what these amendments are. There is no change in the meaning of the bill as a result of the amendments.

Mr. SPEAKER: The amendments are printed in *Votes and Proceedings,* page 200.

Mr. GARDINER: The amendment of the subclause which was in section 4 of the original bill to provide for members of the House of Commons and members of the Senate being paid the amounts which were allowed under the regulations of last year, as well as under the legislation this year, was considered by the Senate not to make the intention clear, and they have reworded it in order to make clear what was intended by this house and by the Senate. There is no change in what was intended by this house.

Then, in section 11, there is just a rewording of the clause. The clause dealing with the penalty now reads:

(a) wilfully submits false information or knowingly makes a false return with respect to any information or return required under this act or regulations thereunder.

Previously, it read in this way:

(a) in respect of any information or return required under this act or regulations thereunder, wilfully submits false information or knowingly makes a false return thereto.

It is exactly the same, but the words are arranged in a different order.

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

WAR RISK INSURANCE

PROVISION FOR COMPENSATION FOR WAR DAMAGE TO PROPERTY

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

Resolved, that it is expedient to introduce a measure to provide for the insurance of property against war risk and for the payment of compensation for war damage out of a special account of the consolidated revenue fund, and to provide further in connection therewith for the employment of such officers, clerks and other employees and agents necessary for the administration of the act.

Mr. STIRLING: Would the minister make a statement before going into committee?

Mr. ILSLEY: Perhaps it would be better if I made the statement after we got into committee. If the hon. gentleman prefers, I will make it now; but I am sure that some questions will be asked, and I would be in a better position to answer them in committee.

Mr. STIRLING: The only point I wished to make is that on frequent occasions recently we have gone into committee without anything being said by way of explanation. But we are going to adjourn in a short time for the

Easter recess, and if the minister would prefer to make the statement in committee, I think we ought to agree.

Mr. ILSLEY: Thank you.

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

Mr. ILSLEY: Mr. Chairman, my purpose in endeavouring to have this measure considered to-day is that I may introduce the bill to be based on the resolution and have it distributed among hon. members before the Easter recess. Many hon. members will wish to study the bill during the Easter recess and, possibly, to secure the views of their constituents on this matter.

It is hoped that, when the house resumes, after the Easter recess, the bill can be given thorough consideration in the banking and commerce committee and that many valuable contributions to it will be made, particularly by hon. members from the coastal areas and the concentrated industrial areas of Canada.

The bill is presented after an exhaustive study of the problem from coast to coast. A report was prepared for me by an eminent member of the legal profession, after he had visited the Pacific coast, the maritime provinces, Quebec and Montreal, and Washington. In addition, the question has been studied by an interdepartmental committee of capable civil servants and by the office of the superintendent of insurance. With the aid of such advice and material, and after full consultation with the official representative of the fire and casualty insurance companies in Canada, the plan of war risk insurance and compensation as embodied in the bill has been formulated. The bill has been drafted with the assistance of the Department of Justice.

I hope and expect that the proposal and the plan as outlined in the bill will commend itself to the committee, but at the same time I am anxious that the bill receive the fullest possible consideration before the banking and commerce committee.

The British precedents, both in this war and in the last, were very helpful to those who drafted the bill; but of course conditions in Canada are vastly different from conditions in the United Kingdom, and therefore the British examples could not be too closely followed. Under the War Damage Act, 1941, of Great Britain, all real estate owners must insure their property, the premium being simply added to their income tax. The rate works out to approximately 2½ per cent of the value, actually 50 per cent of the "annual value". Voluntary insurance of private chattels is available with a minimum free coverage. The rates on private chattels are graduated, starting at 1 per cent on values up to £2,000, 1½ per cent on the next £1,000, and 2 per cent on the next £7,000.

Mr. MacNICOL: Is the minister quoting the British bill?

Mr. ILSLEY: I am describing the British bill.

Then there is a commodity insurance scheme, under which business houses insure their inventory. This insurance is compulsory, unless the goods are worth less than £1,000, or £200 in the case of food retailers. The rate of premiums charged for this type of insurance was originally 10 shillings per £100 per month, but was later reduced to 7 shillings and 6 pence per £100 per month.

In the United States a corporation has been set up under the Reconstruction Finance Corporation and authority has been granted to pay over to the War Damage Corporation funds not in excess of $1,000,000,000. The terms of the bill and the rates of premium to be charged have not yet, I believe, been completed.

I understand that New Zealand has recently adopted a scheme of compulsory war risk insurance based upon the fire insurance policies already in force, and that the rate fixed is the equivalent of 25 cents per $100.

The need and demand for war risk insurance in Canada arose after December 7, 1941, when the insurance companies in Canada ceased writing new policies against war risks. The government immediately set to work to prepare a scheme which would be suitable to Canadian needs and conditions. On December 24 I made an announcement through the press to the effect that pending completion of the scheme and its introduction the government would protect Canadian residents with regard to property situated in Canada in the same way and subject to the same terms and conditions as they would be protected if they were insured under the scheme eventually adopted. It is important therefore from the point of view of the public as well as of hon. members that the terms and conditions of the coverage be announced at the earliest possible day. The government must indicate clearly that there are definite limitations to its liability either before or after the introduction of the scheme. The proposal embodied in the bill is based upon the following principles—I am talking about our bill:

1. The burden should be distributed equally across the country rather than be left to be borne by the more exposed areas.

2. The insurance should be voluntary rather than compulsory, and apart from a certain

minimum coverage which I shall mention later, no property owner is entitled to compensation unless he along with other property owners has made a special contribution proportionate to the indemnity he would get.

3. A certain minimum coverage should be given to all home owners, householders and certain others without the payment of premiums.

4. Payment of indemnity and compensation, except in cases of undue hardship or national importance, should be postponed until after the war. War needs must have priority.

The rate of premium to be charged cannot of course be put into the bill, since this is a matter which must be determined after the most careful study and upon the advice of a special advisory committee of competent and experienced insurance men. The bill provides that the minister may set the rate or rates of premium and the terms of any particular policy, such as, for example, the terms of a particular policy covering a very large risk or a particular type of commodity.

The insurance policies will be issued by the existing fire and casualty insurance companies through their established agents and at a minimum of cost. I am informed that the insurance companies have offered to render this service at actual cost of doing the business.

It is anticipated that a minimum of administrative machinery will need to be set up, since the selling of the policies and their actual issue will be handled by the established insurance companies and their agents. The bill provides for the appointment of a supervisor and such officers and clerks as are necessary to enable him to supervise the work being done by the insurance companies and their agents. The advisory committee of insurance men will be consultative and will serve without remuneration, apart from their actual expenses incurred in the discharge of their duties.

The premiums are to be deductible for income and excess profits tax purposes only to a limited extent, namely to that extent which results in a diminution of the combined taxes paid by the insured equal to forty per cent of the premium. This is a question upon which a considerable difference of opinion exists, some advocating that the premiums should be wholly deductible irrespective of the rate of tax paid by the insured under the income and excess profits tax acts, while others contend that the premium should not be deductible at all, since the policy is designed to protect a capital asset rather than to produce income. Still others believe that the premiums should be deductible but only to a limited extent, so that all insured persons will get an equal tax advantage out of such deductions rather than one getting a tax advantage of 79·5 per cent of the premium and another getting a tax advantage of only 40 per cent of the premium.

That clause relating to the deductibility of premiums for income tax purposes is a clause which I should like to see discussed in the banking and commerce committee. I am not wedded to any particular view in regard to it.

When the resolution goes through the bill can be introduced and distributed, and, as I have said, hon. members will require some time to read the bill and digest its provisions.

Mr. FRASER (Peterborough West): If the resolution passes now and we get the bill later, after the Easter recess we would have full chance for discussion of it in the house?

Mr. ILSLEY: When the bill receives second reading there will be opportunity for debate on it with the Speaker in the chair, which will not give opportunity for questions to be answered by the government. But I would hope that at that stage the bill would be referred to the banking and commerce committee, where it could be fully examined and questions asked and answered. The bill can be fully discussed by hon. members in the usual type of debate which takes place in the house on second reading.

Mr. STIRLING: Do I understand that, as the business is to be done by existing insurance companies, practically it will amount to the rewriting of policies now held to include the war risk? At the present time I believe only a small proportion of the policies written include war risk insurance.

Mr. ILSLEY: That is true. No new war risk insurance is or has been available since Pearl Harbour. I believe—certainly very little. Previously existing policies covering war risk, if not cancellable, have continued in force. Perhaps the hon. gentleman has not an accurate understanding of what we are proposing. These policies will be issued by the insurance companies as agents of the crown; it will be really the government that is issuing the policies through the insurance companies. The insurance companies will be making their organization and administrative machinery available to the government, that is all.

Mr. ROSS (St. Paul's): As I have said before in the house, there is need for some kind of war risk coverage on property. It will take some time to get the bill through. Does the government assume the risk at the present time, for example on the coasts? Does it now provide indemnity against damage, or what recourse in the meantime is open to individuals on the coasts? This is an important matter.

Mr. ILSLEY: They have not recourse at the moment, except that the government has given the assurance that they will be protected if there is damage before the bill is passed, to the extent that they would have been protected had the bill been passed. This does not mean—and I want to make this clear—that the government stands ready to make good any amount of damage or loss. These policies may contain a limit of liability; the government may not commit itself to private property owners in Canada to pay them the full amount of their loss. I do not want to get into the terms of the bill, but I may say that the proposal in the bill is to give free coverage to householders up to an amount of $3,000; that is, the person who is living in a home, who owns the home and has a loss as a result of the sort of enemy action insured against under this bill—

Mr. REID: He would have to have a coverage?

Mr. ILSLEY: No, he will be compensated up to $3,000 under this bill, if it passes. I must not give that undertaking now. His protection will be only the protection which is eventually provided for under the bill; but the government proposes—and it will be found in the bill—that there will be free protection of home owners, without the payment of any premium, up to an amount of $3,000.

Mr. GREEN: That is even if the home owner has no policy?

Mr. ILSLEY: Yes; and there is a provision with regard to the loss of chattels. The free coverage there is, I think, $600.

Mr. FRASER (Peterborough West): Will the government set up adjusters in this connection, or will they use the insurance company adjusters?

Mr. ILSLEY: Just a moment until I get these amounts correct. Perhaps I had better withdraw that figure of $600, because these figures must be expressed accurately or it will do more harm than good. There is a certain limited free coverage for the loss of chattels owned by the householder; a certain amount for the chattels owned by his wife; a certain amount for the chattels owned by each child, and there are exceptions and limits to the amounts, and so forth. It is a little hard for me to describe this briefly in advance. One can hardly discuss it without the bill before him; but the proposal is that for the loss over and above the $3,000 there will be no protection unless it is covered by a policy, for which a premium will be paid, and that policy may contain such terms and conditions as may be thought fit. As I say, however, the protection will not be unlimited.

Mr. FRASER (Peterborough West): I asked a question about the adjusters. I understand that in England, as soon as a bombing takes place, government adjusters go around and check, and the report is in within twelve hours after the bombing or damage occurs. Will the government have their own adjusters in this case, or will they use the adjusters of the insurance companies?

Mr. ILSLEY: We will use the adjusters, inspectors and so on of the insurance companies.

Mr. ROSS (St. Paul's): Will this bill take care of inland transportation insurance as well? For instance, will it cover goods during the time they are in transit, while they are on the dock, and until they are reshipped? That was what I had in mind in speaking about the matter before. Shippers do not want to get their stuff to the coast too soon at the present time because they cannot get war risk insurance for their goods. Is that included in this bill as well?

Mr. ILSLEY: Yes, property in Canada may be insured under this bill, whether it is real or personal property.

Mr. BOUCHER: Are we to understand that at the present time the government have given an undertaking that in case of loss by virtue of enemy action the individual is to be protected to the full extent that he would be protected by an insurance company, after this bill is passed; and that when the bill is passed, the insurance company protects an individual as far as his residence is concerned to the extent of $3,000, whether or not he has a policy? If he has not a policy, after this bill is passed he can get protection only in so far as he has protection from an insurance company? My point in asking this question is this. When the bill goes through, does the condition prevail and continue whereby the individual householder gets protection through the insurance company, on behalf of the government, to the extent of damage to his house up to $3,000, without having a policy at all? Beyond that he gets protection only in so far as he has a policy with a particular company?

Mr. ILSLEY: If damage is done before the bill is passed, and the bill passes exactly in its present form, then it is the intention of the government to pay a home owner his damage up to $3,000.

Mr. BOUCHER: Is that changed after the bill is passed?

Mr. ILSLEY: No. This provision is contained in the bill:

> The minister may pay compensation to any person in the amount, not exceeding three thousand dollars, of the diminution of value caused by war damage to the dwelling house in which he ordinarily resides and of which he is the owner.

That is the section which it is proposed to insert in the bill.

Mr. GREEN: Is it the position that the government will treat this bill as having been passed at this time? That is, if damage should occur between now and the time the bill is actually passed, for all practical purposes the government will treat the bill as having been passed?

Mr. ILSLEY: I cannot think quite quickly enough to grasp the implications of saying "yes" in reply to that question.

Mr. GREEN: I am not implying anything at all.

Mr. ILSLEY: I know that, but I sometimes assent to statements which contain implications that I cannot foresee. This is the statement I made on December 24:

> The question of providing insurance or compensation for property damage resulting from bombardment or other enemy attack has been and is receiving attention. It is not yet possible to say what form any plan which may be adopted will take or the terms and conditions which will apply. The plan will, however, be retroactive to this date.

That undertaking will be carried out; and while it is not good practice in committee to read sections of a bill that is only proposed, I may say the section which it is proposed to insert in the bill to cover that point is as follows:

> If any person, during the period between the twenty-fourth day of December, 1941, and the thirtieth day after the commencement of this act, both inclusive, has sustained or sustains loss from war damage, and if he makes application to the minister on or before such thirtieth day aforesaid, to enter into a contract of insurance in respect of such property, the minister may enter into a contract of insurance in respect of such property effective from the beginning of the twenty-fourth day of December, 1941, but the amount of the indemnity payable under any such contract in respect of war damage to such property during such period shall not exceed fifty thousand dollars.

Mr. GREEN: That does not cover the $3,000 at all, does it?

Mr. ILSLEY: No; the $3,000 case is covered by the other section I read in reply to the hon. member for Carleton.

Mr. GREEN: The minister has said in his statement that the burden of this insurance is to be spread over the whole of the nation.

Mr. ILSLEY: Yes.

Mr. GREEN: In other words, people on the coast who are most likely to be bombed are not to have to carry all the burden?

Mr. ILSLEY: That is correct.

Mr. GREEN: Is the method of spreading the burden across the country as a whole the fact of making the first $3,000 free, or is it that the premiums are to be lower than they should be if they were actuarially sound? In other words, in what way is the burden to be spread out?

Mr. ILSLEY: To the extent that the government pays under its free coverage commitment, the payments are made out of the consolidated revenue fund, which is built up from taxation on all the people in Canada. To the extent that the government pays out of the special section of the consolidated account, it will be paying out of a fund made up from premiums collected from people at various places in Canada. It may be that a larger proportion of the population in the coastal areas will insure than in the central parts of Canada. But the rate will be the same for all of them.

In one sense the country as a whole is carrying the burden, if there is no difference in rate. I am not talking about free coverage; I am talking about losses covered by policies. If we were to fix a rate twice as high in Halifax and Vancouver as in Winnipeg, the Halifax and Vancouver property owners would be penalized because of their geographical location, and the Winnipeg property owners would benefit thereby. But when the rate is the same everywhere, that condition does not exist.

Mr. GREEN: We will suppose a person has property valued at $5,000. Is the first $3,000 covered automatically by the government, the owner of the property himself insuring for $2,000, or would the owner have to insure for the whole $5,000?

Mr. ILSLEY: The first $3,000 in that case would be paid by the government, without any premium.

Mr. GREEN: There would be a premium only on the last $2,000?

Mr. ILSLEY: Yes.

Mr. ROSS (St. Paul's): I agree with the principle of making the rate low for the whole of Canada, but I do not see how it can be done without having a compulsory feature in it.

While I am on my feet, may I ask the minister how the maximum was set at $50,000. I know that some of these men have larger amounts at stake. A man may have bank commitments, and may have goods to ship to the coast. He should be able to get something to protect himself to the full amount of his goods, because a bombing might wipe him out. The very fact that he cannot get insurance has a detrimental effect, because he will not ship those goods as quickly as he otherwise would. He will wait until a time when less risk is involved.

The feature with respect to spreading the risk over the whole of the country represents a big step, and one with which the banking and commerce committee could deal.

I am wondering why the $50,000 provision is in the bill.

Mr. ILSLEY: I suggest that the $50,000 limit might be discussed in committee. That is all I would care to commit the government to in the meantime.

Mr. MacINNIS: Did I understand the minister to say that since December 7, insurance companies have not been accepting war risks on the west coast?

Mr. ILSLEY: My understanding is that, as a general rule, they cancelled where they could, and they did not issue any new policies against war damage.

Mr. MacINNIS: Does that apply only on the Pacific coast, or to the whole of Canada?

Mr. ILSLEY: I understood it applied on both the Atlantic and the Pacific coasts; I presume it applies everywhere in Canada.

Mr. MacINNIS: To the whole of Canada?

Mr. ILSLEY: I think so.

Mr. GREEN: The person who is renting would be covered for clothing and furniture up to a certain minimum?

Mr. ILSLEY: That is correct.

Mr. GREEN: Up to $600?

Mr. ILSLEY: I believe it is $600; the hon. member will find that in the bill.

Mr. ROSS (Calgary East): Does Canada carry the entire risk, or are the insurance companies interested?

Mr. ILSLEY: No.

Mr. ROSS (Calgary East): Are they going to handle it, or will it be handled by officials assisted by the crown?

Mr. ILSLEY: The insurance companies will handle it as agents of the crown, at cost.

Mr. GREEN: Why was it done in that way?

Mr. ILSLEY: Instead of in what way?

Mr. GREEN: For example, could it have been handled through the Post Office Department?

Mr. ILSLEY: I have great admiration for the Post Office organization, but not that much. I do not think they could have handled it.

Mr. MacINNIS: They could, unless there were a raid.

Mr. GREEN: If it were handled through the Post Office Department, could it not be done considerably cheaper?

Mr. ILSLEY: No.

Mr. GREEN: There are post offices in every community, no matter how small, whereas agencies will not be found in all communities.

Mr. ILSLEY: I do not think it would be desirable to add this class of duties to the present duties of postmasters. I do not think they are qualified by training, experience or other qualifications to handle that kind of business. The insurance business, the procedure of making adjustments, receiving application and all that sort of thing, is almost, if indeed not quite, a profession. It is something which requires experience, and I should think the suggested method would be the most satisfactory way of doing it.

Mr. BOUCHER: The adjusters and valuators would be those of the various insurance companies. They would not be government officials. The government simply accepts the services, at cost, of insurance company valuators?

Mr. ILSLEY: Yes.

Mr. BOUCHER: Even with regard to the first $3,000 of a risk?

Mr. ILSLEY: I expect that will be the case.

Mr. GREEN: In some centres at least, adjusting is done by independent adjusters. Are they to be engaged to do that work? If so, it would mean that the business would be handled by the insurance agencies and the adjusting would be done by adjusting firms, which are independent of insurance companies.

Mr. ILSLEY: I must say I have not given much thought to the details of adjustment, but I believe that the same persons who are now doing adjusting would do the adjusting

in the future. Whether the undertaking of the insurance companies to do this work at cost covers the adjusting, or includes the adjusters belonging to a different organization, I am not quite clear. I do not, however, believe there would be any difficulty along that line. Those are matters which can be discussed in committee on the bill.

Mr. GREEN: Should there not be some check-up, because adjusters would not be bound by any agreement reached between the government and insurance companies?

Mr. ILSLEY: That can be looked into.

Mr. GREEN: Will the minister have that checked?

Mr. ILSLEY: Yes, I will have it checked.

Resolution reported, read the second time and concurred in. Mr. Ilsley thereupon moved for leave to introduce Bill No. 56, to make provision with respect to insurance of property against war risks and the payment of compensation for war damage.

Motion agreed to and bill read the first time.

WAR APPROPRIATION BILL

PROVISION FOR GRANTING TO HIS MAJESTY AID FOR NATIONAL DEFENCE AND SECURITY

The house resumed from Thursday, March 26, consideration in committee of a resolution to provide sums not exceeding $2,000,000,000 for the year ending March 31, 1943, for granting to his majesty aid for national defence and security—Mr. Ilsley—Mr. Bradette in the chair.

Mr. MacINNIS: Some days ago I asked if the Minister of Pensions and National Health (Mr. Mackenzie) would make a statement on air raid precautions on the two coasts, and I believe he is prepared to make that statement.

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health): A few days ago, and again last evening, I was asked by the hon. member for Vancouver East (Mr. MacInnis) to make a statement, to which he has just referred, on air raid precautions on the Pacific coast. I think it may be preferable if I discuss the subject as it affects all parts of the dominion that have been designated for organization of A.R.P. work. Then, if necessary, I can particularize with regard to the Pacific coast area.

Air raid precautions basically are those measures which the civilian population can and must take for the protection of their own lives and property. They should not be confused, as they frequently are, with the defence of the country from attack. That is the function of the armed services. The functions which make up air raid precautions are the ordinary functions of a municipality, such as patrolling the streets, fighting fires, conveying injured persons to hospital, repairing damaged public utilities, demolishing damaged buildings, et cetera. These are functions for which every municipality is normally equipped and organized up to a point, namely, to the extent necessary to cope with normal hazards. It is recognized that enemy air raids or bombardments greatly accentuate the degree of risk, and the ordinary municipal services must be greatly expanded in the interests of the public safety. It is considered that this expansion should take place in two ways, personnel and equipment, neither of which should impose any substantial or unbearable expense upon the municipal exchequer.

In regard to personnel, the number of trained and available personnel can be and has been increased through enrolment, training and organization of volunteers. There is nothing foreign to our genius in this method. In the smaller municipalities fire fighting and many other public services are performed by volunteers. The A.R.P. programme contemplates extension of this method into the larger cities where people have been accustomed in normal times to leave their public services to professionally trained experts.

In regard to equipment, the provision of additional equipment to meet the war emergency has been assumed by the dominion government. Thus the municipality, which must necessarily assume the direction and control of its own people in the matter of air raid precautions, is not called upon to undertake any great expense. Let me now, for the information of the committee, give a concise history of the development of air raid precautions in Canada.

In March, 1938, the departmental committee formed to consider the defence of Canada in case of war recommended to the cabinet that air raid precautions should be under the jurisdiction of the minister and the Department of Pensions and National Health. This was concurred in by the government. The Minister of Pensions and National Health immediately set up, under the chairmanship of the deputy minister, a committee within the department.

Ruling was made by the Department of National Defence that the following areas in Canada should be considered as subject to definite risk of enemy attack: Sydney, Halifax, Saint John, Quebec City, Vancouver, Victoria,

and Prince Rupert. In addition, Montreal, Ottawa and Toronto were assessed as subject to "slight risk."

The departmental committee contacted the Home Office and obtained from them all secret and confidential information referring to the formation of air raid precautions in Great Britain. There was also attached to the committee representatives from the Department of National Defence, national research council, St. John Ambulance Association, and so on. A scheme, based on the English outline but modified to suit Canadian conditions and expectancy of degree of attack, was prepared.

On receipt of information in the latter part of August, 1939, that war with the German reich was imminent, members of the departmental committee were dispatched hurriedly to British Columbia, New Brunswick and Nova Scotia. Contacts were made with the provincial premiers, and provincial A.R.P. committees were set up and organization started. When war was declared this organization had advanced sufficiently that the provincial committees were in a position to call immediately for recruits. Later the organization was set up in the province of Quebec. These provincial committees were set up by authorization of the minister under section 33 of the defence of Canada regulations. The province of Ontario was approached but did not accept the A.R.P. scheme for organization until the fall of 1940.

The designated areas have been changed from time to time in accordance with advice given to cabinet by the joint staff committee of the Department of National Defence. On September 10, 1941, by recommendation of the treasury board, these areas were specifically named in P.C. 7147, and it was provided that assistance could not be extended to any other areas unless approved by the treasury board. On December 10, 1941, the treasury board, on advice of the joint staff committee, broadened the areas which are considered to be subject to the risk of attack and, hence, which may be assisted. The order in council did not describe these areas in language, but accomplished its purpose by annexing thereto a shaded map indicating the comparative degree of risk by shading from dark to light. These areas may be described as follows:

Definite Risk

The entire province of Prince Edward Island.

The entire province of Nova Scotia.

All the coastal portions of the province of New Brunswick.

The banks of the St. Lawrence river as far inland as Montreal.

The entire coast of British Columbia from Alaska to the United States border inland to the summit of the Cascade mountains.

[Mr. Ian Mackenzie.]

Lesser Risk

The interior of the province of New Brunswick.

The entire province of Quebec as far north as approximately the latitude of the southern end of James Bay.

The entire eastern portion of the province of Ontario as far west as the 85° of west longitude, just west of Sault Ste. Marie.

The southern interior of British Columbia as far east as the Rocky mountains.

Prior to the order in council of December 10 the population of the designated areas was approximately two and a half millions. The enlargement of the designated areas made the department responsible for organizing A.R.P. for more than seven and a half million people. The area to be covered is between 350,000 and 400,000 square miles. On December 15 the number of A.R.P. workers enrolled and receiving training was:

Wardens and auxiliary police	59,917
Auxiliary firemen	7,375
Doctors, nurses, ambulance drivers and first aid workers	12,950
Other services	13,991
Total	94,233

In the ensuing three months, or the last three months, the number of workers has been increased by 50 per cent, as follows:

Wardens and auxiliary police	90,821
Auxiliary firemen	11,111
Doctors, nurses, ambulance drivers and first aid workers	29,083
Other services	22,345
Total	153,360

Whereas prior to the order enlarging the designated areas we had only a dozen cities organized, we now have A.R.P. organizations in 435 cities, towns and communities, as follows:

Nova Scotia	68
New Brunswick	45
Quebec	129
Ontario	91
British Columbia	102

In Prince Edward Island organization has only recently commenced but is progressing favourably.

The director, Doctor Manion, has personally visited both coasts with a view to assisting the organization work and familiarizing himself with local problems which may require action by the dominion government.

In addition, we stationed at Vancouver for more than two months, one of our experienced officers, Colonel E. H. Minns, who personally visited all the areas where air raid precautions have been organized. Their reports indicate that the organization of the additional areas is proceeding rapidly and efficiently under the direction of the provincial committees.

New Brunswick has been divided into eight districts—with a commandant for each district.

In the interior of British Columbia the industrial communities between Kimberley and Trail have been most effectively organized under local committees, and I am advised that the entire portion of British Columbia west of the Cascades can be blacked out on three minutes' notice. The interior areas, which were designated only in December, had organized to some extent on a voluntary basis prior to the date at which my department was authorized to assist them with equipment. Every effort is now being made to expedite deliveries of the essential equipment which they require.

In regard to the question of legal authority I have some notes here with reference to the interpretation of certain sections of the defence of Canada regulations, and since they are purely interpretative and possibly of not so much interest to hon. members, perhaps I might be permitted to place them on the record. They are as follows:

Legal authority for the organization of air raid precautions is to be found in the defence of Canada regulations, especially regulations 32, 33, 34 and 35. I shall deal with these one at a time, but for convenience I shall vary the sequence.

Regulation No. 32 deals with evacuation. This regulation provides that the Minister of National Defence may, in anticipation of an attack, order people out of any area.

Regulation No. 34 deals with decontamination and demolition. Under this regulation the Minister of National Defence, the Minister of Pensions and National Health, or any senior police officer, may order the decontamination or demolition of any premises or chattel, or prohibit access to any premises including highways.

In practical administration under regulation Nos. 32 and 34 it is contemplated that action dealing with evacuation of areas and demolition of property would be taken only in the event of an actual attack. For this reason the authority is vested in the Minister of National Defence and his officers, with the exception that senior police officers may take action in an emergency for the decontamination or demolition of premises rendered dangerous by enemy action.

The authority vested in the minister of pensions under regulation 34 will enable air raid wardens and others trained and organized in the civil air raid precautions organization, to exercise their functions in support of any orders issued with respect to decontamination or demolition.

Regulation No. 33 deals with organization of air raid precautions. Under this regulation the minister of pensions may issue orders

(a) with regard to general organization of air raid precautions;

(b) requiring that specified private premises may be occupied by the public as a shelter;

(c) prohibiting public assemblies;

(d) prescribing the signal upon which precautions shall become operative.

(Note: Although the regulation authorizes either the Minister of National Defence or the minister of pensions to issue such orders, it has been agreed that the minister of pensions shall assume the responsibility. An order respecting public assemblies may be enforced by a police officer.)

At the outbreak of war, the minister of pensions issued an order to each province within which military advice indicated that air raid precautions should be organized. This order authorized the premier of the province to form a provincial committee and to form local committees in the areas designated as subject to the risk of attack. Such local committees were to function under the direction of the provincial committee.

Under regulation 33, no authority to provincial or municipal governments or A.R.P. committees has been delegated. The minister of pensions exercises his own authority under this regulation by issuing orders.

To facilitate action in an emergency, the minister can be represented on the ground by a direct representative—if necessary. (Colonel Minns was sent to British Columbia for this purpose.) We have recently been augmenting our A.R.P. staff so that trained officials may be available for dispatch to any threatened point to represent the minister in an emergency.

The regulation covers three main subjects:

(a) Organization. The order to organize was issued by the minister at the outbreak of war to each province affected;

(b) Use of premises as shelters. The procedure in this connection is for certain premises to be specified and for the minister to issue an order that the public shall have access to these premises when an alarm is given.

No such order has yet been issued by the minister, but the A.R.P. committees in most of the centres have surveyed suitable premises —and these are available as shelters—in Halifax and Saint John on a voluntary basis, without the necessity of an order being issued.

In Vancouver a survey has been made, and the minister has a representative on the ground so that any necessary order can be issued on full information and without delay.

The printed instructions advise that people stay where they are in a raid. But should an

attack take place when large numbers of people are in the down-town streets, provision of this type is necessary.

(c) Public Assemblies. Here the minister has power to authorize a senior police officer to prohibit public assemblies. The minister can and will issue such orders to senior police officers upon the advice of his departmental representative on the ground when any special occasion for it arises. Senior police officers have inherent authority to keep public order, and this regulation is to meet any special emergency.

Black-out. Regulation 35 deals with control of lights, sounds and traffic. It is popularly known as the "black-out regulation". The general provision is that the minister of pensions or any person to whom he has delegated authority may issue orders prohibiting or regulating the display of lights, sounds on roads; to designate signals upon which orders shall become operative.

(Note: No such order shall apply with respect to the navy, army and air services, except with the consent of the minister at the head of the indicated service department.)

The minister of pensions has delegated his authority under regulation 35 to the provincial premiers with the exception of Nova Scotia, where it is delegated to the minister of health and Ontario to the attorney general, with authority to redelegate to provincial ministers and officials. The provincial minister thus commissioned may issue orders for the darkening of lights, the suppression of noises, and for the regulation of traffic, either in connection with an actual air raid or in training for such eventuality. It is for the provincial premier to prescribe the signals, to issue orders, and to enforce them. There is authority in regulation 35 for the provincial premiers to redelegate to officials or to municipal authorities within their own areas.

The three defence ministers have conferred upon the senior defence officer in each area their authority to approve such orders in so far as they may affect the services. However, on December 19, 1941, regulation 35 was amended by adding an additional provision that "no lights other than those used for street lighting purposes shall be displayed in any area specified in any order made" pursuant to the general authority of the regulation. The additional amendment also prohibited the display of lights in business premises except during business hours and while staff is present on the premises. There is provision that these regulations may be removed, either temporarily or permanently, by order of the minister of pensions, concurred in by the Minister of Munitions and Supply. Difficulty was experienced at first in administering this regulation, and a conference was called in Ottawa on February 3, in order that a uniform code of regulations for lighting might be drawn up for the whole of Canada, if considered desirable. At this conference were represented provincial governments, transportation companies, retail merchants, and industry generally.

The conclusions of this conference were, briefly, that the new subsection in section 35 should remain and that each province should request the exemptions which they considered advisable for their particular province. These exemptions, with the exception of Quebec, have been completed, signed by the two ministers and issued. Exemptions were also applied for by the federal district and issued.

Compensation.

(a) Insurance for property: The Minister of Finance on December 24 announced that a scheme of war risk and bombardment insurance is in course of preparation and that its terms shall have application as from the date of this announcement. This means that any damage caused prior to the enactment of the insurance plan will be covered by the scheme as it may ultimately emerge.

(b) Personal injuries and death: A scheme of compensation comparable with that of workmen's compensation acts has been adopted by the dominion government for air raid precautions workers who may be injured or killed in performance of their duties as a result of enemy action or during a black-out. The scheme covers registered workers in an authorized air raid precautions organization.

Medical care, hospitalization, compensatory allowances for the injured worker and his dependents, and pension for the dependents of an air raid precautions worker who may be killed are included in the scheme. Administration is in the hands of the Canadian pension commission.

Certain classes of air raid precautions workers are entitled to compensation for injuries or death sustained during the training period. These classes of workers are auxiliary firemen and demolition squads, whose training is considered to involve a certain amount of danger to life and limb.

The order in council providing for compensation is P.C. 7147, of September 10, 1941.

The order in council providing for hospitalization and treatment is P.C. 115/9130, of November 22, 1941.

P.C. 7147 originally dealt with only eleven designated areas. The designated areas were greatly enlarged by P.C. 2/9660, of December 10, 1941 when the entire coastal areas were held to be subject to risk of attack.

I come now to the types of work involved in air raid precautions. They include:

Patrol of city streets to ensure that regulations are obeyed and to detect and report incidents requiring attention.

Regulation of traffic.

Care of casualties.

Firefighting.

Decontamination in case of gas attack.

Demolition of damaged structures.

Repairs to damaged public utility services.

Transportation and communication services to facilitate the foregoing.

Prevention of panic.

Wardens are expected to become acquainted with all individuals in their respective blocks.

Wardens are expected to survey every house and building in their blocks, and to have full particulars regarding the number of persons domiciled therein, their status as to numbers of infants, invalids, et cetera, the availability of exits, and so on.

Organization Policy. The dominion government undertakes through the Department of Pensions and National Health to provide necessary equipment and supplies, training manuals and instructional literature.

The provincial governments have been asked to form air raid precautions committees and to encourage formation of local air raid precautions committees in the designated areas.

The Minister of Pensions and National Health asked the provincial premiers to be chairmen of the provincial committees, and suggested that the mayors of municipalities should be chairmen of local committees.

It was considered by the dominion government that the bulk of the work must be done by private citizens on a voluntary basis, and that organization and direction would be given to a large extent by permanent dominion, provincial and civic officials, selected from appropriate departments.

Committees were preferred to the rigid municipal organization, because it is considered desirable that groups of municipalities should organize their air raid precautions as a single unit, with provision for cooperation in such matters as firefighting.

Key officers in each area for the actual training and administration of air raid precautions must necessarily be chiefs of police, fire chiefs, medical officers of health and municipal engineers.

The duties to be performed by the voluntary organization are very largely an extension of the duties of the regular police officers, firemen, and maintenance crews of the engineering departments.

It was considered advisable, therefore, that voluntary groups should be trained and directed by the permanent officials responsible for the various specialized types of activity in which volunteer air raid precautions workers are called upon to assist.

Where voluntary organizations exist, and are equipped to discharge valuable functions in connection with air raid precautions, these have been asked to cooperate in order that new organizations need not be set up.

For instance, the Saint John Ambulance Association has done a notable work in training air raid precautions workers in first aid.

The Red Cross society has also organized for the relief of distress which might arise in a raid.

The suggestion has recently been made that a number of firemen from each of the principal cities might, with advantage, be sent to train at special schools which are being set up in the United States for that purpose.

Already the Royal Canadian Mounted Police, at the suggestion of the director of air raid precautions, has sent one or two men to attend schools on transportation problems. It is believed that those to be trained at these special schools will be able to instruct others.

Care of Casualties. The plan is that air wardens shall patrol the streets and report where casualties occur. There should be in every locality, first-aid posts from which qualified first-aid workers can be dispatched with stretchers and other equipment to bring injured persons to hospitals or other centres where care can be given.

Doctors and nurses should be at key positions where they can supplement the efforts of the first-aid assistants.

The most seriously injured should be transported to hospital in vehicles, organized and held available for this duty. Hospitals should have emergency staff and space available to care for casualties thus brought to them.

Local committees should survey buildings in the vicinity of existing hospitals, wherein emergency accommodation can be given. The Department of Pensions and National Health has supplies of beds and bedding to place in such buildings.

It is considered that general hospitals can, on the shortest of notice, make emergency accommodation available by evacuation of a substantial percentage of their normal patients.

In every hospital there are convalescents and other patients who could, with little disadvantage, be cared for at home. By constantly checking their own population, hospital managements should be prepared to evacuate such patients speedily in an emergency. The voluntary transportation com-

mittees in the air raid precautions organization can be asked to hold themselves in readiness to assist in the process.

The Saint John Ambulance Association from the outset of the war has assisted in training volunteer air raid precautions workers in first aid. The number of air raid precautions workers holding the association's first-aid certificate, on December 15, 1941, was 12,950.

Shelters. It is a function of local air raid precautions committees to survey their areas for premises in which people may take shelter during an air raid. The minister of pensions has authority to order that such premises may be used, and to restrain the owners or occupants from refusing access.

In all the more exposed areas, the necessary staff work for this purpose has been done so that, in an emergency, orders can be issued at the briefest notice.

Equipment. It was considered that the greatest expense would be in connection with the provision of equipment and supplies. This expense the department of pensions has undertaken to meet. Reserve stores of equipment were accumulated before the outbreak of war, and issue was made from these stores to the provinces. The provinces, in turn, were asked to make issue to the local areas.

Municipal areas should requisition their provincial committees for supplies and equipment. The provincial committees will, in turn, requisition the department of pensions.

It is considered desirable that, with respect to many types of equipment, only sufficient for training should be issued to local areas, and the remainder be held in central stores available to meet emergencies wherever they may occur.

The dominion government has, however, allocated small credits to each province for the purposes of financing organization expenses not covered by the provision of supplies and equipment issued from Ottawa. The procedure is for the province or municipality to obtain approval of a proposed expenditure, and then to submit a properly vouched account. The minister of pensions may then authorize payment thereof.

In Nova Scotia, where a comprehensive system of air raid precautions has existed in the two leading urban areas for more than two years, the original grant of $5,000 for organization purposes has not been exhausted. Supplementary grants were made recently, however, when the areas to be organized were greatly enlarged.

In some provinces, there was a desire on the part of the provincial authorities to broaden the functions of the organization formed for air raid precautions purposes.

[Mr. Ian Mackenzie.]

In view of the fact that the provincial authorities considered that useful public purposes could be served by asking the air raid precautions organization to assume other duties, the dominion government raised no objection, but it could not undertake financial responsibility for these other duties.

Instructional literature is considered to be included under the heading of "equipment and supplies". Municipalities desiring to issue circulars to all householders have obtained authority to do so, and the Department of Pensions and National Health has paid for the printing and other expenses connected therewith.

The following are the main types of equipment issued:

Badges and arm bands	Rubber boots
Crutches	Protective overalls
Arm and leg splints	Berets
First-aid haversacks	Steel helmets
First-aid kitboxes	Stirrup pumps
Pouches	Iron scoops
Stretchers	Fire hose
Tarpaulins	Respirators
Anti-gas suits	Fire pumps

Up to the most recent report, equipment had actually been issued to the value of $613,726. Other equipment is on order to the value of $789,642, making a total of $1,403,369. Our estimates for the coming year under the war appropriation bill, aggregate $4,805,000.

The department of pensions has administered air raid precautions up to date very largely by allocating the required duties to members of its regular staff. It is believed that provinces and municipalities can administer in the same way without engaging special paid personnel. This has been done quite successfully in the maritime provinces.

In December, however, when, on the advice of the Department of National Defence, the areas considered subject to risk of attack were very greatly enlarged, it was decided to increase our administrative staff at Ottawa. The Hon. R. J. Manion—a former minister—had offered his services to the government in any capacity in which they could be used. Doctor Manion was good enough to agree to accept the position of director of civil air raid precautions, and at the beginning of the year undertook his duties with his accustomed energy and ability.

The volume of work has been greatly increased by the enlargement of the areas designated for organization, and we now have four officials dealing in a specialized way with subdivisions of the work. Three of these are regular government employees assigned to A.R.P. duties, and the fourth was engaged from outside. It is possible that further additions may have to be made to our A.R.P. staff.

No direct cash grants to provinces or municipalities have been made, nor can they, with propriety, be made. The dominion government does not delegate even to one of its own ministers the authority to make expenditures of money without prior submission to treasury board and approval of the proposed expenditure in all particulars. It follows that no minister can delegate such authority to a province or a municipality.

In certain areas there has recently arisen a demand for financial aid on a scale quite out of proportion to that accorded to the cities on the Atlantic coast, where efficient A.R.P. organizations have been developed and have operated for two and a half years. In some cities, some of the officials seem to have formed the opinion that effective air raid precautions will require a large paid staff. Our experience with the cities on the Atlantic coast suggests definitely that this is not correct, that the various duties can quite effectively be discharged by the ordinary municipal officials with the cooperation of volunteers. I am not, however, prepared to say that conditions in any two cities are identical and that because local conditions in one city permit a thing to be done, every other city can necessarily achieve the same results in exactly the same way.

Accordingly, after reviewing a budget presented by my home city and containing many items which certainly should not be charged against the federal treasury, it was decided to adopt a standard scale of organization and equipment. This suggested "establishment" was recently forwarded to the provincial committees together with a brief statement of dominion government policy with respect thereto. The model establishment took account of variations in population and variations in the degrees of risk as estimated by the government's military advisers. It indicated with regard to each type of city the minimum number of wardens, the number of auxiliary firefighters, the number of roof watchers, the number of first-aid detachments that would be required in such an area.

The scheme was heavily annotated, indicating circumstances under which the model scale of establishment should be larger or smaller. Account was taken of density of population, of the types of construction prevailing in an area, and appropriate comment on the variations indicated by such factors was included. This model establishment is not mandatory. The whole secret of air raid precautions is, in my opinion, to rely upon the special genius of the people in each area to work out their own methods. Our model establishment is intended as a guide to them, and also as a guarantee in this sense, that the dominion government accepts the responsibility to supply equipment up to the minimum standard laid down in the establishment. We undertake to supply such equipment as and when it may be available.

With this in view, the plan itself contains particulars of the amounts of equipment required for an organization of the proportions indicated. With respect to certain types of equipment, such as identifying badges, there should be one item of personal equipment for each A.R.P. worker. With regard to certain other types, however, we need to provide only certain items. There was recently indicated in Vancouver and Victoria an assumption that every warden should receive a suit of protective clothing. This is, of course, quite incorrect. Protective clothing is required only for certain squads, such as the decontamination crews. We have indicated the appropriate number of workers to be trained and equipped for each such specialized activity, and we are prepared to supply equipment up to that number.

While discussing this subject of equipment, I must inform the committee frankly that we have not been able to supply all the equipment which, according to our own standards, should be available. This is not due to any unwillingness or lack of forethought. It is due to absolute inability to obtain the materials.

Let me illustrate by steel helmets. We placed orders for these in very large numbers right from the outset of the war. As it happened, however, the armed forces also placed very large orders. The requirements of the pensions department for A.R.P. purposes had to take second place, and I am perfectly certain that there is not one air raid warden in Canada who would expect to be supplied with a steel helmet at the expense of a soldier. The limiting factor is, of course, the steel that goes into the helmet. Steel is a vital commodity for every branch of our armed services. Nevertheless we have from time to time obtained supplies of steel helmets, and just recently we found it possible to obtain quite substantial deliveries. These have been distributed as quickly as received to the most vulnerable areas.

With regard to equipment of which there is any shortage, we have had to adopt the principle that the requirements of the more exposed areas on the two coasts shall receive first priority. This has been explained to the provincial committees in the less exposed provinces, and the situation has been accepted in good part. Indeed, when last December the Pacific coast was considered to be under direct menace, the provincial government of Ontario, without hesitation, offered us the

use of the entire forest firefighting equipment in northern Ontario, and this equipment was speedily transferred to the threatened zone.

As a British Columbian and as a member of the dominion government, I am glad to have this opportunity of expressing publicly the most cordial appreciation and gratitude to the government of Ontario for this unselfish and patriotic act. Only a few days ago the Ontario government again notified me that, if it were not yet possible to return the equipment, they were prepared to have it remain at the coast until we were able to replace it. I wish to assure the committee that every effort is being made to effect replacement at the earliest possible moment, because we are no more desirous of having the forests of Ontario exposed to any hazard from time to time than we are to incur risk for our own people of British Columbia. My fellow citizens of British Columbia are deeply grateful, as I have said, to Ontario for the splendid spirit of cooperation and support exemplified in this loan.

With respect to equipment generally, we have received every possible assistance from the priorities officers of the Department of Munitions and Supply and where we have not been able to meet the full requirements of certain areas, I can assure the committee that the difficulties are real and not due to any neglect.

At the time we sent out our model establishment we also laid down a general policy with regard to federal assistance which I shall state to the committee definitely.

The dominion government is to provide reasonable, initial, organizational expenses to the provinces.

We are to provide booklets and printed matter, and personal equipment—as such is obtainable by us—to the provinces, who will distribute them to the municipalities. The personal equipment for A.R.P. workers will be provided for numbers up to an established strength, as decided by the federal A.R.P. office.

Special equipment, such as medical supplies, auxiliary firefighting apparatus, air raid sirens, and so forth—as such is obtainable by us—will be supplied according to local conditions, in amounts considered adequate by the director of air raid precautions. In the case of air raid sirens we will also pay reasonable costs of installation and maintenance. The above supplies will be sent by us to the provincial A.R.P. committee whose duty it will be to allocate them and distribute them to the municipalities concerned.

[Mr. Ian Mackenzie.]

The federal A.R.P. office in Ottawa has set up a model establishment for areas designated as liable to attack.

The federal government will pay 50 per cent of A.R.P. expenses of municipalities situated within the vulnerable areas, but such expenses must be kept within reasonable bounds, in every sense of that term.

No new paid staff should be taken on for A.R.P. work, unless absolutely necessary. No salaries may be charged against the federal government for any extra work performed by the regular and ordinary municipal staff.

The same principle is to apply to the use of public buildings or office space. In other words, where public buildings are available for this work, no charge for rent, heat, janitor service or other expenses shall be made. Municipal budgets must be submitted for examination to the representative of federal A.R.P. in the area and through him to the provincial A.R.P. committee, or, if we have no representative in the district, then directly to the provincial A.R.P. committee. The latter, after checking the budgets, will send them to the office of the director at Ottawa. Only when the budget has been agreed to by the office of the director will it be recommended to and considered by the dominion government as one on which the 50 per cent may be paid.

It may strike hon. members as remarkable that, in two and a half years of war, this is the first fairly comprehensive statement with regard to air raid precautions that has been made to this committee. There is a very definite reason for that. As has been stated, we regard air raid precautions as essentially a local activity. The work is done very largely by volunteer workers. A successful scheme requires that every citizen shall have some knowledge of what will be expected of him in the hour of emergency. Therefore our effort at Ottawa has been to encourage the provincial and municipal officials to take the leadership in their own areas. We have felt that the more they rely upon their own efforts, the better the programme will be carried out. Or, to state the opposite, the more the local people are encouraged to look to far-away Ottawa for leadership and guidance at every turn, the less efficient will be their local organization. My policy, therefore, has been to keep quiet in regard to certain controversies that have arisen. We are glad and anxious to help where we can and when we are asked.

Our A.R.P. officers have visited the various areas repeatedly to give advice and assistance, especially to help with that type of advice which comes from knowing what is going on in a number of centres. Each city or province has developed out of its own genius especially

successful measures in some one particular field. Our federal officers are able to pass this information along to others.

We have sought no publicity. We have felt that the spotlight should rest on the local leaders, the chairman of the provincial and municipal committees. In the hour of emergency it is they who will have to take the responsibility and to whom the people must learn to look. There have been numerous misunderstandings and occasional lack of co-operation, but by and large the spirit of co-operation has been excellent. As compared with England, where I had opportunity last year of personally inspecting the wonderful A.R.P. organization, we have been one happy family. Their magnificent system of air raid precautions has been developed out of strife and friction and grief and bitter experience.

Despite all their precautions, when the great fire attack was made on London they were largely caught unawares; yet in a few days they managed to develop a system of defence such that I am confident no incendiary attack can ever again succeed in that great city. We have the benefit of studying their experience under actual fire, and we have maintained continuous contact with their organization, so that we know of their mistakes as well as of their successes. We have been strongly advised to avoid some of their most outstanding methods, methods which they would not adopt if they were starting from scratch again. This advice has been quietly passed along to our provincial and municipal committees, and I believe the responsible heads of the local organizations are reasonably well informed.

Large public shelters, and evacuation of population, are two measures that we believe to have been mistaken, and most of the authorities in Great Britain now agree that that is so.

In conclusion, I wish to pay my tribute to the tens of thousands of voluntary workers for their untiring efforts to build up in their own towns and cities an efficient system of air raid precautions. I wish also to pay my tribute to the provincial and municipal committees, consisting partly of public officials and partly of private citizens, who have given splendid leadership to their communities. In no aspect of our war effort have the people of Canada demonstrated more fully their loyalty and willingness to cooperate for the public welfare. The number of voluntary workers is now in excess of 150,000. All of these people have taken training courses in some phase of A.R.P. work. It is upon them that success depends.

This is an activity in which every man and woman must be prepared to do his or her part. Old London learned a year and a half ago that the city fire department cannot cope with an incendiary raid. Every man must learn to be his own fireman; every woman in the home must know how to deal with a fire bomb on her own doorstep, or her own roof-top. Others will be too busy to help. Therefore I appeal to the people of this country to take this matter very seriously and that each one learn from the wardens in his own city block what measures he must be prepared to take. This is one phase of war effort that cannot be left to somebody else. It is the responsibility of each and every individual man and woman.

I think I have now gone into the matter fairly extensively and answered the questions asked by the hon. member for Vancouver East.

Mr. GRAYDON: I should like to ask the minister a question. I know he will not take it as a reflection on his splendid work in connection with the departmental activities which he has just analysed, but last May I asked a question in the house, and the Prime Minister subsequently answered it, as to whether or not the Canadian government had under consideration the matter of appointing a minister of home security, as was done in Great Britain.

I should also be very glad if the minister would outline the reasons, to which I am sure he must have given much consideration, which led to the discarding of the idea that was then advanced.

In addition, I should like to ask as to the blackout method. I know there has been considerable controversy as to the efficiency of the blackout method of defence against air attack. Many people have pointed to the fact that Moscow, one of the great targets, used the direct searchlight method of warding off aerial attacks, while an article in a prominent magazine in Canada a week or so ago stated that there had been some change of opinion among authorities with regard to the efficiency of the blackout method as opposed to the searchlight procedure. Would the minister clarify those two points at this time?

Mr. MACKENZIE (Vancouver Centre): Regarding the first point I do not think my hon. friend would expect me to answer. That is entirely for the Prime Minister, and I shall be glad to direct his attention to the question.

With reference to the blackout method, my hon. friend has correctly stated that it is now a matter of controversy in London. In our entire organization in Canada we have followed the British system. We have the very latest details of the system used in Moscow, and I do not feel confident to

express a technical opinion as to the merits of the blackout as against the other system. We have had visitors from Britain here; we have been over there ourselves, and in every case we have modeled our organization upon theirs, which by and large stood up pretty well to the attacks made.

Mr. GRAYDON: Does the minister believe that it is possible to follow the British system entirely in view of the very different conditions existing in Canada? I hope he has taken that into consideration. No doubt he has.

Mr. MACKENZIE (Vancouver Centre): We shall do that as things develop.

Mr. HATFIELD: What is the policy of the government in regard to the establishment of air raid shelters?

Mr. MACKENZIE (Vancouver Centre): I mentioned that, according to recent advices we have received, the policy is against the adoption of air raid shelters.

Mr. MacINNIS: I wish to thank the minister for his exhaustive view of this matter. I do not know about other parts of Canada, but I know the people in British Columbia, and particularly in Vancouver, were much disturbed over this question. There was a very general feeling that air raid precautions, so far as British Columbia was concerned, were in a very bad muddle. I am not saying either that they were or that they were not; I am just mentioning some of the opinions that have been expressed, and I think the minister knows them as well as I do. For myself, I have refrained from giving opinions on this matter, as I have refrained from discussing most military matters and other questions in connection with the war. Whenever I found that I had to criticize the government I did so because of its attitude rather than on the facts of any particular matter.

I was surprised to hear from the minister that the provision of air raid shelters had been discouraged, if I understood him aright, and also that no provision was being made for the evacuation of the civil population in case of a raid or military action. That question is of considerable importance in Vancouver, where we are so hemmed in that there is really only one way out. Again I do not know what the technique should be in that case, but I rather believe that the people would feel safer—whether or not they would be safer—if some provision were made for the evacuation of at least women and children in case of bad raids.

The minister gave the number of air raid workers in the whole of Canada. Could he give the number of workers in the Vancouver area? I should like to know also the amount of the credit granted to British Columbia, and how that credit was allocated among the various municipalities.

Mr. MACKENZIE (Vancouver Centre): In regard to equipment, I have the figure only for the province, because we issue all equipment to the provincial committee, and the allocation is decided by that committee as among the various municipalities. I can get the other information for my hon. friend; I have it, but not here. For British Columbia the equipment delivered so far is valued at $161,823.30. The value of the equipment ordered but not delivered is $235,129.19, making a total of $396,952.49.

Mr. MacINNIS: And the value of the equipment for all Canada was something like $630,000?

Mr. MACKENZIE (Vancouver Centre): That is what has been delivered. The equipment, both ordered and delivered, for the whole of Canada amounts to $1,560,000, roughly speaking; I gave that figure a few moments ago. In regard to the number of air raid workers in British Columbia, I do not have that information here by municipalities, though I have it in my office. Roughly speaking in the whole province we have some twenty-one thousand workers.

Mr. MacINNIS: Did the government get trained instructors from the old country, or did we have our people go there and receive training?

Mr. MACKENZIE (Vancouver Centre): We had some of our own officers go over there at the very outset; and though officially we have not had anyone here under government auspices, from time to time experts have come here from England and have travelled throughout Canada lecturing to our various organizations. As I said a short time ago, however, they have established special schools in the United States, and it has been suggested that we might send a few of our auxiliary firemen down there to take short courses, so they could come back with some training in the newest developments.

Mr. GREEN: I understood the minister to say that the dominion government was assuming full responsibility for the necessary equipment and supplies. Is that correct?

Mr. MACKENZIE (Vancouver Centre): That is correct, in this sense. We have assumed complete responsibility for all equipment except such as is normal to the peacetime activities of the municipalities, what you might call standard fire-fighting equipment

and so on. After consultation with the fire chiefs, the underwriters' associations, and others; after obtaining the best advice we could get from sources in England and the United States, we decided to supply only auxiliary fire-fighting equipment. That is why there has been a certain amount of discussion with regard to fire hose, for example. We only supplied one and a half inch hose, whereas the standard equipment would be a larger size.

Mr. GREEN: Take the case of fire-fighting equipment. The cities and towns are called upon to buy far more equipment than they would otherwise require. Why is it the government will not assume any responsibility for that extra fire-fighting equipment?

Mr. MACKENZIE (Vancouver Centre): Well, as I have said, the principle has been laid down and followed that we accept responsibility for such equipment as is rendered necessary by the fact that we are at war; that is in addition to the standard equipment. We do not accept responsibility for the replacement of normal fire-fighting equipment.

Mr. GREEN: But they require larger quantities of standard equipment in order to prepare against larger fires caused by raids in which incendiary bombs may be dropped. Surely it is only fair that the dominion should assume responsibility for the increased expenditure brought about by reason of the fact that the municipalities have to buy more of the standard equipment than they would otherwise buy.

Mr. MACKENZIE (Vancouver Centre): We carefully canvassed the whole situation with some of the best experts available, and that was the advice we obtained and the advice we have followed.

Mr. GREEN: It is not necessarily a matter of the best advice we could get from Great Britain or the United States. We should be able to make up our own minds.

Mr. MACKENZIE (Vancouver Centre): We did; we got advice from Canadians too.

Mr. GREEN: A situation has risen on the Pacific coast which is most unfortunate. We have the mayor of the minister's own city, Vancouver quoted in the press of a week ago to the following effect:

> As head of the A.R.P. in Vancouver, I am in a position to know that we have an excellent A.R.P. organization, but it is so dangerously deficient in equipment that the homes and even the lives of all of us are in danger.

Futhermore, at this very time there is a drive under way, under the auspices of the board of trade to raise over $200,000 for air raid precautions. In another press dispatch the city engineer states that a portion of this money is to be used for additional fire-fighting facilities, and that the balance will be devoted to completing the city's twenty-three first aid posts, establishing additional A.R.P. posts, providing protection, probably by means of sandbags, around those posts, and for administration. Why should the citizens have to go out and raise that amount of money in order to finance proper air raid precautions? Surely there is something wrong when that state of affairs exists. I do not doubt that the minister has done his best. It may be that his associates in the ministry are to blame, but from the start it has seemed to me that the dominion government are dodging this air raid precaution issue; that they are keeping themselves as far away from the front line as possible, making the provincial and municipal authorities carry the load. That, I suggest, should be changed. Why at this time should it be necessary for the citizens of Vancouver to subscribe over $200,000 in order to finance air raid precautions?

Mr. MACKENZIE (Vancouver Centre): In the first place, deliveries of equipment are entirely conditioned by the speed with which we can obtain them. In the second place, Canada is doing more in this regard for her municipalities than any other country. In the United States, though they have voted $100,000,000 to provide for air raid precautions, not a single cent has been given to any municipality.

Mr. GREEN: They have been in the war only two or three months. We have been in it three years.

Mr. MACKENZIE (Vancouver Centre): This is the situation. First, we paid preliminary organizational expenses in Canada. In the second place we provided this equipment and even the technical officers. In the third place, similar methods now followed by some of the public-spirited citizens in Vancouver have been resorted to in different cities for the same purpose.

While I understand the natural apprehension of my fellow citizens of Vancouver, as a matter of fact I can tell my hon. friend that Vancouver has received the best treatment of any city in Canada in regard to A.R.P. We are doing everything we can. And I must say in regard to my colleagues that they have been absolutely sympathetic in every way in assisting me to get equipment for the Pacific coast as fast as possible.

I must say about the Atlantic coast that they have been remarkably patient. In Nova Scotia they have been magnificent, because

until recently, they have themselves entirely shouldered the whole cost of A.R.P. organization. I believe the first small grant we gave them was one of $5,000, and it was not all expended when we made the second small grant the other day. I was told by Doctor Manion, who came back from Halifax a short time ago, that he was there during a blackout, and he said it was one of the most efficient he had witnessed anywhere.

The whole trouble, if I may say so to my hon. friend, is that under the constitution of Canada, which decides what are provincial and federal responsibilities, you have tripartite control. Where you have divided control you are bound to have a certain amount of dissatisfaction and criticism.

Mr. GREEN: Does not the minister think that A.R.P. should be a national responsibility?

Mr. MACKENZIE (Vancouver Centre): What would happen to-morrow if we made A.R.P. a national duty? There would be a nationalized fire service and police service in Canada. You would step into all cities and take charge of their police and fire-fighting forces. In other words you would interfere with the jurisdiction of the provinces and municipalities. That is where the danger arises. Frankly at the present time I do not think our municipal authorities want that to happen. The real basis of this whole situation is cooperation. Give control of the organizations to the municipalities and provinces. We have endeavoured to carry that out. Unfortunately there have been a few difficulties here and there, but these are unavoidable. As long as I have anything to do with the federal end of the matter we will cooperate with every area as best we can to obtain equipment and do all we can to help them in this very necessary work.

Mr. GRAYDON: The minister referred to the various jurisdictions, municipal, provincial and federal. Surely that can scarcely be an argument, in view of the provision of the British North America Act for dominion jurisdiction where peace, order and good government are concerned.

I was struck by the minister's argument in one or two particulars, but it is still not clear to me. The matter we are discussing is one of the most important branches of our whole defence scheme. How do we differentiate by regarding it as the only one to be placed under the jurisdiction of the municipalities, and the provinces and the dominion, while in respect of every other part of our war effort from beginning to end the dominion government alone, and rightly so, has taken the initiative and coordinated the whole undertaking? As I said last year, I am not criticizing the minister in this respect because I believe he is working under what is no doubt a worn-out policy, so far as his view of the situation facing Canada to-day is concerned. Until we get a ministry of home security in Canada, where one minister would be the focal point from which all instructions would emanate, a minister who would have full authority and exercise complete supervision with regard to this important part of our national defence, we are going to have in years to come with respect to our whole A.R.P. set-up the same type of criticism that we have heard during the last few months. It is the most natural thing in the world that the municipalities and provinces should attempt to shift some responsibility from one to the other, but I think the time has come—and I am not speaking only for myself—for the setting up of a ministry such as I have described. There are many people permanently and closely identified with A.R.P. work and civilian defence who have expressed similar views to those I am expressing to-day. I feel keenly on this particular point. Undoubtedly it is most important, and the government should not for one moment remove it from consideration. I repeat that I do not see why we should separate this equally important branch of our national defence from the other branches. Why should we single it out for special attention and divide the supervision in respect to it into three different jurisdictional branches?

Mr. MACKENZIE (Vancouver Centre): In Great Britain, where they have an excellent organization, and one which has had an experience extending over two and a half years, the administration is vested in the Home Office. There is a certain amount of cooperation from the Department of Health, but the major portion of it—I believe I can say practically the entire authority—is vested in the Home Office.

Mr. GRAYDON: I may be entirely wrong in the information I have, but I understand that Sir John Anderson, who was at one time Minister of Home Security—I cannot say whether he is now or not—had the entire supervision of the work of the A.R.P.

Mr. MACKENZIE (Vancouver Centre): I personally visited Mr. Herbert Morrison, the present Home Secretary, in his office, and discussed with him the organization of A.R.P. in Great Britain. He was good enough to give me the time of his best officers so that I might get all the information they had at their disposal. He was in charge of that work, in cooperation with the ministry of health.

Mr. GREEN: Who is it in Ottawa who revises the estimated expenditures sent down by cities in connection with this A.R.P. work? A budget was sent down by Vancouver, and it was turned down by some board in Ottawa. Quoting again from a newspaper clipping having reference to the city engineer:

Mr. Brakenridge prophesied that "if things get tougher" the dominion and provincial governments would be forced to take a greater hand in the development of A.R.P.

A.R.P. in Vancouver had accomplished a great deal, but had been consistently hampered by a lack of funds, largely due to refusal of Victoria and Ottawa to approve city expenditures.

The A.R.P. here is really between the devil and the deep blue sea. It has no power to raise money.

When we want something we have to go to Victoria, and our request is then sent to Ottawa. Ottawa generally replies "we don't know anything about this."

This is an impossible condition. I wish the minister would explain just how these matters are handled.

Mr. MACKENZIE (Vancouver Centre): The budget of the city of Vancouver was sent to the premier of British Columbia. He sent it to Ottawa and it was examined by officers of the air raid precautions division in Ottawa. As a result of an analysis of that budget I wrote a personal letter to the premier of British Columbia, part of which appeared in the press, giving substantial reasons why items in the budget could not be passed by this or any other government. If my hon. friend would like to hear the letter I will read it, but I do not think the house would want to be troubled with it.

Mr. GREEN: The citizens are trying to raise $200,000.

Mr. MACKENZIE (Vancouver Centre): True.

Mr. GREEN: Is that all for expenditures in which the dominion government is not interested?

Mr. MACKENZIE (Vancouver Centre): Not at all. My hon. friend cannot put words like that in my mouth.

Mr. GREEN: I did not.

Mr. MACKENZIE (Vancouver Centre): I have the interests of Vancouver as much at heart as my hon. friend.

Mr. GREEN: I know that.

Mr. MACKENZIE (Vancouver Centre): I have responsibilities to the city of Vancouver as a member, and to my hon. friend as a minister, but I also have a responsibility to the treasury of Canada. There were items in that budget which could not possibly be passed—not even by my hon. friend if he were in my position to-day.

Mr. GREEN: The minister knows about the present campaign to raise $200,000?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. GREEN: Does the minister say that those are expenditures a portion of which at least should not be paid for by the dominion government?

Mr. MACKENZIE (Vancouver Centre): I have no information as to whether the campaign at present going on in Vancouver is to cover any of the items in the budget sent to me.

Mr. GREEN: Would the minister find that out. I read to him earlier to-day the statement that a portion of the moneys is to complete first aid posts, to establish additional A.R.P. posts, to provide protection around those posts, and so on. Would the minister check with regard to these present expenditures?

Mr. MACKENZIE (Vancouver Centre): I understand that the present campaign has been conducted by an honorary committee of citizens; I do not think it has been conducted by the official air raid committee. Here is the reply I made:

This budget contemplates:

(2) that the dominion government shall pay for light, heat and janitor services to the extent of more than $1,000 a month, in the Vancouver city hall and other civic premises;

(3) that the dominion government shall pay the salaries of at least nine permanent civic employees of the city of Vancouver;

(4) that the dominion government shall pay for the expense of operating a police car;

(5) that we shall pay the salaries of some ten or eleven stenographers;

(6) that we shall pay some $2,200 for a control room, already established in the city hall. This sum is indicated as a non-recurring commitment already made, and I am advised by my departmental officers that it consists of a room in the city hall containing some plain furniture and maps, for which separate items are submitted;

(7) this budget contains the following extraordinary items which the dominion government is asked to approve:

Miscellaneous $105.20 monthly,
Miscellaneous $35.70 monthly,
Miscellaneous $6.10 monthly;

(8) the budget includes several hundred dollars for telephone services upon which my officers are unable to comment without more definite information, either by way of your recommendation or personal inspection by our own representative in British Columbia. In

any event, we have had no such item from any other city, although there are several in which efficient precautions have been maintained for two and a half years.

With deep regret and a full sense of my responsibility, both as a minister and as a representative of Vancouver, I must inform you that I cannot approve this budget.

Could any minister of the crown support items for which no details are given?

Mr. GREEN: You could have got the details.

Mr. MACKENZIE (Vancouver Centre): It was not even recommended to us by the provincial committee of British Columbia.

Mr. GREEN: Many of these expenditures have been caused entirely by the necessity of taking these air raid precautions. It is all right for hon. members from the central part of Canada to complain or applaud when the minister makes this statement, but I would point out to them that there are not many cities in Canada which are so close under the gun in connection with possible bombing as the cities on the two coasts. I suggest again to the minister that the department is being entirely too tough about what they will or will not pay for in respect to these air raid precautions.

Mr. ILSLEY: I am from the Atlantic coast, but if the city of Halifax sent in a bill for rental for part of the city hall, I would take exception to it.

Mr. GREEN: Some of the items may have gone too far.

Mr. MacINNIS: I think we should try to discuss this matter as calmly as possible. Air raid precautions are made necessary because of war conditions. The question arises who is responsible for the condition arising out of military operations. I think it has been decided by experience and general practice that there are certain things that the cities and municipalities must do for themselves, unless the whole municipality is to be put under military law and control. Since air raid precaution work is made necessary by military operations, and since it is not desirable to put the municipalities under military control, the question then arises as to the division of expenses and jurisdiction. I think it is sound policy that the dominion government should provide all essential equipment, because the dominion government has taken to itself all the fields of taxation. The fields still open to the municipality are very limited, and they have great difficulty in getting money for the ordinary essential services. If the government can satisfy the municipality—the city of Vancouver in this instance—that the equipment provided is sufficient and that the government is paying for it, it is only reasonable that the city should assume certain small essential expenditures on account of the work. As has been said, a great deal of the work is being done on a voluntary basis. I have refrained from criticism in this matter because I do not know enough about it. If I had more information I might be able to decide between the contention of the minister and that of the city. I think the minister has made a very reasonable statement.

Mr. GREEN: The minister was questioned as to whether or not arrangements had been made for the evacuation of women and children from the coastal areas. I understood him to say that the government had decided that evacuation was not wise.

Mr. MACKENZIE (Vancouver Centre): That was the advice received.

Mr. GREEN: Has the government given any consideration to what would be done in the event of an attempted invasion as distinct from a bombing attack? The two are quite different. If an attempt at invasion were made, the question of evacuating women and children would be of the utmost importance. I should like to know if the government has made any plans to meet that eventuality.

Mr. MACKENZIE (Vancouver Centre): My hon. friend will have to address his question to my colleague the Minister of National Defence. That whole matter is covered by the defence of Canada regulations.

Mr. GREEN: I want to know if there is any government plan for the evacuation of women and children. I do not care which minister gives me the information.

Mr. RALSTON: I am afraid my hon. friend will not be satisfied with my reply.

Mr. GREEN: It will depend upon the reply.

Mr. RALSTON: The defence of Canada regulations provide that the Minister of National Defence shall give the sanction for removal and specify the class or number of people who may be removed from a certain area after a certain time. The arrangements for the removal are not matters for the Department of National Defence or the dominion government; they are made by the local authorities, and in some cities have been made already. The local authorities decide who are to be moved, make the arrangements for the moving—that is the physical removal—and decide where those who are being removed are to go. The Minister of National Defence is given the

power, which power is delegated to the district officer commanding, to make an order which would give legal effect to the removal. This would enable the removal to be made in case somebody objects to it.

Mr. GREEN: That would be under the province and the municipalities?

Mr. RALSTON: Yes.

Mr. EDWARDS: I want to address a question to the Minister of National Defence, and one to the Minister of National Defence for Air. A great problem confronts the people of Canada, and they are exercising their minds over it. I wish to direct my question and the few observations I desire to make to the very pertinent problem of recruiting.

Coming as I do from Alberta, which has a favourable record in recruiting as compared with other provinces—and in the observations I am about to make I am not in any way casting reflections on my own province or boosting it unduly—I have a few suggestions to make which may be helpful in this time of peril and crisis. I have been critical in my own mind, although I have not hitherto given expression to it, of some of the recruiting methods and practices followed in obtaining men for the army. There are certain conditions, and certain practices which have been followed, which to my mind are not calculated to draw forth to the country's service the thoughtful and self-respecting young men of Canada to-day.

In the first place I would be critical of the recruiting offices as I have observed them in various places. It does seem to me that when we are asking the young manhood of Canada, the self-respecting, self-starting and self-reliant young men of our country, to offer their lives on the altar of sacrifice, they should at least be approached in a spirit and in a manner becoming free citizens of Canada, and be treated as self-respecting individuals and not as automatons or people who can be pushed around or as people who can be drummed into doing their duty. It has been my observation that men have come for miles to some of our recruiting centres, and men living in our cities have also found their way to these recruiting centres, but where are these recruiting offices to be found for the most part? In out-of-the-way places, on side streets, and in many cases in second or third-rate buildings, poorly lighted, not well kept, not clean or attractive—and there, perforce, the cream of our manhood are invited to come and offer their lives as a sacrifice for this civilization of which we are so proud. It does seem to me that the best is none too good for men who are willing of their own volition to come forward and offer their lives for their country, and I do think we might well give very thoughtful consideration to that phase of our war effort so far as the army is concerned.

I am glad to say that in my own home city within very recent months the army have moved the recruiting centre and have now got it in a fine office building centrally located, well lighted, cleanly kept, and where the volunteer is met by a civilian. The results have been remarkable. Why cannot we have decent recruiting offices across Canada, not merely in centrally located buildings but in buildings that are clean and wholesome and attractive, where our men who are volunteers will be courteously received and have no fear of being treated with contempt or be called yellow if they do not forthwith sign up in our forces.

I consider that the young men entering upon an army life, many of whom, in fact the very best we have, come from rural communities, would respond much more readily if they were met by civilians whom they would meet on equal terms, and with whom they could discuss their problems. Many of these young men who come to the cities to volunteer do not know for which particular branch of the service they are best qualified by training, experience and education, and in many instances they are met by an old recruiting sergeant and hustled in, it being taken for granted that they must join the army when they might be much better fitted for one of the other services.

I have also heard complaints and severe criticism of the recruiting centres themselves and of how they are maintained. I know of several men, including myself, who have gone into recruiting centres where there seemed to be no anxiety to meet or welcome you or any great concern whether you were there or not or as to the nature of your business.

Another criticism I have heard is of the treatment of the volunteer in many of the recruiting centres. In my own city of Calgary the recruiting office until recently was on a side street, and after arriving there the recruit was marched a mile and a half or two miles to another place for his medical examination. Then he was marched another mile or two to undergo a dental examination, and finally he would be told: "If you will come back to-morrow we will be able to tell you whether we can use you." Imagine having to go a mile and a half to be examined by a dentist, to find out whether your teeth are satisfactory!

Many of these young men who are coming forward have come miles and miles at their own expense to lay their lives on the altar of sacrifice for their country, only to be told that they will have to wait over until to-morrow

at their own expense. It does seem to me that that is something which can and should be corrected. These men should be provided with accommodation, and given every consideration and consultation and advice. They should be treated as individuals. It has been my conception that fundamentally what we are fighting for in this war is for the rights of individuals, and it ill behooves us in any of our forces to treat the young men who are coming forward as recruits as other than self-respecting men wishing to do the right thing. We should respect the highest thing about them, their individuality and their personality.

I think that a great deal more inspection and supervision should be given to the recruiting centres as such and to the personnel who examine the men who are offering their lives. Why should the medical man whom I visit in his office as a private individual treat me any differently when I come forward to offer my life for my country? Yet does the young recruit take off his shoes and socks and disrobe in a clean room? Are there the same sanitary conditions as prevail in that doctor's own office were I to consult him in private? Ask any recruit; ask the men in the army to-day, whether those conditions prevail. It is not unknown that volunteers who came forward have, because of the delay and the treatment which they experienced, returned home and never bothered to wait and see what was the result of their examination. I suggest to the government and to the department that such conditions and treatment may be an explanation, at least in part, of the fact that we have not had as many volunteers for the army as, possibly, we should have liked.

I wish, however, to commend the government for the improvements being adopted and the army for the revision of the methods being used so far as the equipment, dress and treatment of the men are concerned. That instead of the battle dress we have given the soldier a walking-out uniform is something of which we should be very proud. One has felt we owed an apology to the boys who have come forward in thousands in past months and had only one uniform in which they worked, a battle dress, thus being compelled to go in these work clothes to their home or to see their sweethearts. You would not do it; your friends would not do it; the ordinary average working man does not do it. Yet these "right honourable" men, the only men who, to my way of thinking, are really entitled to that title, who have offered their lives for their country, have had to go home to greet their loved ones in a working suit—a glorified windbreaker.

Progress reported.

[Mr. Edwards.]

THE ROYAL ASSENT

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

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

Accordingly, the house went up to the Senate.

And having returned.

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

An Act to amend the Precious Metals Marking Act.

An Act to amend the Prairie Farm Assistance Act, 1939.

An Act to amend the Canadian Wheat Board Act, 1935.

An Act respecting Wheat Acreage Reduction.

An Act for granting to His Majesty aid for the purpose of financing United Kingdom war requirements in Canada and for national defence and security.

An Act for granting to His Majesty aid for national defence and security.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1942.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1943.

An Act for granting to His Majesty aid for national defence and security.

On motion of Mr. Crerar the house adjourned at 6.15 p.m., until Monday, April 20.

Monday, April 20, 1942

The house met at three o'clock.

VACANCY

Mr. SPEAKER: I have the honour to inform the house that I have been notified by two members of the vacancy caused in the electoral district of Winnipeg North Centre by the death of J. S. Woodsworth.

And I have sent my warrant to the chief electoral officer for the issue of a writ for a new election.

THE PLEBISCITE

BUSINESS OF THE HOUSE—ADJOURNMENT OVER VOTING DAY

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, as hon. members are aware the voting with respect to the removal of restrictions on the government aris-

ing out of past commitments as to the method of raising men for service overseas takes place on Monday of next week.

I believe hon. members generally feel it would be of assistance to others if they were privileged to be in their constituencies on Monday, at the time the vote is being taken. I am sure it would greatly facilitate the work of organization if they could be present in their constituencies not only on the day of actual polling but as well a day or two in advance. As the house does not sit on Saturday or Sunday, and as the sitting on Friday is only for a half day, in the opinion of the government it would be of real assistance if hon. members could be in their constituencies one or two days immediately preceding the taking of the vote, as well as on the day on which the actual vote is taken.

We realize of course that in provinces which are some distance from the capital it might not be possible for hon. members to return to their constituencies. However if the house were to adjourn on Thursday evening, after concluding Thursday's proceedings, only half a day in the present week would be lost, and the only day in the next week would be Monday, the day of polling.

In those circumstances during my absence the acting leader of the government communicated with the leader of the opposition (Mr. Hanson) and the leaders of the two other parliamentary groups with respect to ascertaining their views as to adjourning for the time indicated, and I am informed there appears to be general agreement that an arrangement of that kind would be satisfactory.

If I were to make a motion at this time unanimous consent of the house would be required. If unanimous consent were not given I would give notice of the motion in to-day's *Votes and Proceedings,* and if discussion were desired it could be discussed later. But I believe it would perhaps be to the advantage of all if a decision could be arrived at immediately.

The leader of the opposition has, I understand, been kind enough to intimate that he is prepared to second the motion I may make in this connection, and I wish to thank him for so doing. In the circumstances, with the consent of the house I move, seconded by the leader of the opposition:

That when the house adjourns on Thursday, the 23rd instant, it stand adjourned until Tuesday, the 28th instant.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, I had not understood that I was to second this motion, but I shall say at once that when the matter was brought to my attention late last week I agreed with the substance of the proposal now before the house. I am so strongly impressed by the urgent necessity of an affirmative vote by the people of Canada on Monday next to release the government from its commitments that I think it of very great importance that all hon. members who think as I do should be in their constituencies for the vote, and should exercise all the influence they can through personal contact with the voters in those districts.

I regret that the idea did not germinate sooner, because some hon. members from western Canada would like to participate as well. Obviously that is now impossible. However, for the reasons I have given, those outlined by the Prime Minister (Mr. Mackenzie King), and others which must be obvious to every hon. member, I suggest that unanimous consent be given.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I too gave approval to the suggestion when it was telephoned to me by the Secretary of State (Mr. McLarty). But in doing so I had considerable misgiving. I felt that some hon. members adjacent to this city might be able to assist in bringing out an effective vote, and that we should place nothing in their way if they were so disposed. But we had had a very long recess, during which we had all been in touch with our constituents, and it seemed to me that we should have done everything then that we felt it necessary to do to this end.

I also regret that the intimation was not given until Friday of last week, which made it impossible for those coming from western Canada to remain in their constituencies. I feel that parliament at this session has been lagging in the work that has to be done. So far no war expenditures committee has been appointed. The committee on radio has not met, and we have a large amount of committee work ahead of us. I believe the general feeling throughout the country is that we are not making the progress, with regard to measures relating to the war, that we ought to be making. It is my view that this feeling of dissatisfaction with this parliament may be reflected in the vote on Monday next. I urge the government to see to it that we do not further delay our proceedings, that the committees which ought to be sitting be appointed forthwith, and that we get down to the business of the session more expeditiously than we have done during the past two months.

Mr. J. H. BLACKMORE (Lethbridge): I have no particular comment to make upon the short adjournment, but I am wondering if it would not be in order for the Prime

Minister to make a statement as to where the members of parliament are to vote in case they do not happen to be in their constituencies on voting day.

Mr. KARL K. HOMUTH (Waterloo South): I am not opposed to the motion that the Prime Minister has moved, seconded by the leader of the opposition, but I do object strongly to the words the Prime Minister used in explaining this motion. He said that the vote was to be taken for the purpose of deciding on the recruiting of men for overseas service—

Some hon. MEMBERS: No.

Mr. HOMUTH: —or getting men overseas. Yes, the Prime Minister said that. If the Prime Minister will have *Hansard* read his statement he will see that he referred to the raising of men for overseas service.

Mr. MACKENZIE KING: Unless my memory has failed me completely, I think my hon. friend will see that the words I used were the words of the question that is being asked.

Mr. HOMUTH: I beg the Prime Minister's pardon, he did not use the words in that way. For three weeks hon. members of this house, and particularly members of the opposition, have been going out, not only organizing their own ridings but trying to organize other ridings where there was not the same enthusiasm for a "yes" vote by members of the government as there is by members of the opposition.

Some hon. MEMBERS: Order.

Mr. HOMUTH: They have been out organizing these ridings with the idea—

Some hon. MEMBERS: Order.

Mr. HOMUTH: —of getting a "yes" vote.

An hon. MEMBER: Nobody wants you in his riding.

Mr. HOMUTH: I would not go into yours anyway because you would not be of any help to anyone. Let me say this: the very words of the Prime Minister will do a great deal to defeat what we have been telling the people, that it is not a question of voting to raise men for overseas service or for conscription, that the purpose of the vote is to release the government from a pledge which it made and that the question of overseas service is entirely a question for the House of Commons. I say in all sincerity that I think the words of the Prime Minister were not the best words to use in bringing forward this motion.

(Mr. Blackmore.)

Mr. MACKENZIE KING: May I say to my hon. friend that the words that I intended to use, the words that I thought I had used, were the words that will appear on the voting paper on Monday next. If I did not use substantially those words I was entirely unconscious of not having done so and I thank my hon. friend for drawing my attention to it. I assure him that those are the words I intended to use and that I would wish to have used.

Motion agreed to.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 46, for the relief of Stella Kathleen Marguerite Winnall Barwick.—Mr. Hazen.

Bill No. 47, for the relief of Joyce Elizabeth Blackburn Gordon.—Mr. Hanson (Skeena).

Bill No. 48, for the relief of Kate Elizabeth Laidlaw McNiven.—Mr. Abbott.

Bill No. 49, for the relief of Margaret Livingstone Turnbull Woodard.—Mr. Boucher.

Bill No. 50, for the relief of Dorothy Sunsheine Steirman Cooke.—Mr. Bercovitch.

Bill No. 51, for the relief of Doris Golt Rosner.—Mr. Bercovitch.

Bill No. 52, for the relief of Anna Pohopoluck Yacobchak.—Mr. Hazen.

Bill No. 53, for the relief of Myer Levine.—Mr. Hazen.

Bill No. 54, for the relief of George Sutherland Cameron, junior.—Mr. Bercovitch.

Bill No. 55, for the relief of Fred Catlow.—Mr. Hill.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

NAVAL SERVICE—OFFICERS AND RATINGS SERVING AT SEA

Mr. BOUCHER:

1. What proportion of (a) the officers, (b) the ratings of the Royal Canadian Navy are serving at sea?

2. What proportion of (a) the officers, (b) the ratings of the Royal Canadian Naval Reserve are serving at sea?

3. What proportion of (a) the officers, (b) the ratings of the Royal Canadian Naval Volunteer Reserve are serving at sea?

4. How many officers without previous naval experience have been granted commissions in the naval forces as lieutenants or lieutenant-commanders?

5. What are the names of such persons?

Mr. MACDONALD (Kingston City):

1. R.C.N. permanent (a) 43·8 per cent; (b) 48·2 per cent. R.C.N. temporary (a) 8·5 per cent; (b) 26·4 per cent.

2. R.C.N.R. (a) 58·3 per cent; (b) 54·6 per cent.

3. R.C.N.V.R., (a) 44·7 per cent; (b) 38·4 per cent.

4. R.C.N.R. (lieutenant-commanders), 8; (lieutenants), 149. R.C.N.V.R. (lieutenant-commanders), 8; (lieutenants), 613.

The above officers include many officers who are employed in special branches, e.g., surgeons, technicians, accountants and many other special forms of work. Many of them while without formal naval experience have had nautical experience.

Royal Canadian Naval Reserve

Lieutenant-commanders

Robert McGregor (E.), Allan Reddock (E.), Albert R. Francis, Archibald Hunter (E.), Andrew E. Shott (E.), Andrew Russell (E.), Walter L. Styring, Joseph L. Dunn (E.).

Lieutenants

Samuel Hermans (E.), James B. Kieran, William Mahan, William S. Webb (E.), Samuel Seymour (E.), Bent G. Sivertz, Alexander V. Wells (E.), James F. Douglas (E.), James W. Carter, Frank Roberts, William E. Simpson, Thomas Fife (E.), Gordon E. Fleetwood (E.), Richard R. Teasdale (E.), Andrew L. B. Alexander (E.), Henning E. Christensen (E.), Harold L. Purcell (E.), Harold S. C. McComb (E.), Andrew R. Fleming (E.), Fred Burton (E.), James R. Ross (E.), Thomas S. Wilson (E.), Victor H. Torraville, Marcus H. Roberts, Roy M. Mosher, Aubrey W. Ford, Richard Jaskson, Henry N. Bonnell (E.), George P. Fowlie (E.), Edmond W. T. Surtees, John W. Dowling, Matthew Russell, Charles G. Sauter, William Turner, William B. Crichton (E.), Walter Hichens-Smith (E.), Svend A. Keat (Pay.), Walter Russell, Frederick J. Day, John A. McKenna, Dermot T. English, Michael J. Strous (Pay.), John Bulmer (E.), James R. McClelland (E.), Henry S. Salt (E.), John A. Forsyth (E.), William S. Creese, Arthur Moorhouse, Roy S. Kelly, Joseph S. Scott, Charles P. Balfry, John E. Clayton, Douglas N. Cameron, Francis O. Gerity, James F. Magill (E.), Fulton T. Williams, Gordon C. Roberts, Clifford Winterbottom, John S. Horam, George M. Kaiser, William D. Brown (E.), Leslie P. Denny, William F. Wood, Robert F. Swain (E.), William W. McMurtry, Charles T. Brinkman (E.), John Harding, Eric R. Shaw, Harry G. Denyer, John Wallace, Alistair I. MacKay, Allan H. Easton, Augustus Tulk (E), John C. Littler, William W. Hackney, Gerald Lancaster, John W. Bonner, John H. P. Davies, William Black, Leslie L. Foxall, Colin J. Angus, James P. Fraser, James A. Tullis, Thomas B. Edwards, James M. Gillison, John H. S. McDonald, Alexander D. Landles, Edward M. More, Robert L. Inglis (E.), James Cuthbert, Antoine H. Cassivi, Harry Freeland, William E. Harrison, William R. Stacey, William Crowley (E.), Ronald J. Herman, James Bevan, Allan V. Taylor, John C. Barbour, James A. H. Stewart, Lewis D. Quick, John J. Hodgkinson, Thomas J. Bellas, Henry A. Russell, George S. Hall, Philip C. Evans, John B. Clarke (E.), John C. McCarty, John H. Newbigging (E.), George F. W. Hudson, Victor B. Glover (E.), Henry N. Renwick (E.) Harold M. Rosser (E.), Douglas K. Miller (E.), Frederick J. Rennie (E.), William Stuart (E.), Donald E. Holmes (Pay.), William E. Adamson (Pay.), Roy G. Everest, William Reay (E.), William A. Orwin, John G. Hughes, Douglas Trail, Herbert W. Draney, Leonard J. Nairn (Pay.), Frederick N. Eddy, Alexander Brown (E.), Douglas W. Main, Harold H. Rankin, Lachlan F. McQuarrie, Anthony H. G. Storrs, Raiffe D. Barrett, Wildred Davenport, John Morrison, Walter G. Johnstone, Richard Sullivan (E.), Ronald O. McKenzie, Henry M. Kennedy, Thomas D. Kelly, Alfred B. Arnison, William H. Koughan, Herbert L. Elliott (E.), James A. MacDonald, Ivor J. L. Palmer, Douglas K. M. Graham, (Pay.), Thomas F. T. Moreland (Pay.), Albert R. Ascah, John Evelyn, George E. DeWolfe (Pay.).

Royal Canadian Naval Volunteer Reserve

Lieutenant-commanders

Charles H. Best (Surg.), James Adam (E.), Alfred L. C. Atkinson (S.B.), Duncan K. MacTavish (S.B.), Kellogg S. Maclachlan, Pierre F. Boudreault (E.), Charles F. Wilkins, Robert P. Besant (E).

Lieutenants

Eric E. F. Loyd (S.B.), Albert Logette (S.B.), John J. Schull (S.B.), John D. S. Cromarty (Pay.), Alfred O. Tate (S.B.), Kenneth G. Fosbery (S.B.), Charles H. Little,

(E.)—Engineer.
(Pay.)—Paymaster.
(S.B.)—Special branch.
(Surg.)—Surgeon.

(E.)—Engineer.
(Pay.)—Paymaster.

Douglas W. Jackson (S.B.), William P. Wallace (S.B.), Earl R. Hope (S.B.), Donald R. H. MacDonald (S.B.), Charles W. Skarstedt (S.B.), Reginald S. Strong (S.B.), Algy S. Noad (S.B.), Howard C. Aikman (S.B.), Eric J. Downton (S.B.), William H. Pugsley (Pay.), Guy C. DeWolf, Edward T. Sherwood, Ralph S. Simpson, Roy C. Denny, Ronald L. Denton (Surg.), George Carter (S.B.), John H. C. McClelland (Surg.), Donald Y. Solandt (Surg.), Lloyd G. Hisey (Surg.), John E. de Belle (Surg.), James Campbell (S.B.), Charles W. Donaldson (Pay.), William J. Bichan, Alfred C. Bethune (S.B.), John R. Millard (S.B.), Alexander Brown (Pay.), Ernest G. Lay (S.B.), Hugh A. McIntosh (S.B.), Clarence B. Campbell (S.B.), James Carlisle (S.B.) William D. Nesbit (S.B.), Frederick W. R. Angus (S.B.), Harry S. Severs (S.B.), Stanley I. Comach (S.B.), Everard C. Mercer (S.B.), Beverley F. Macauley (S.B.), William Rhind (S.B.), Alfred E. Howe (S.B.), George Noble (S.B.), Reginald C. Barnsley (S.B.), William P. Kellett (S.B.), Albert E. Smith (S.B.), Robert G. Gavin (S.B.), George A. Boutilier (S.B.), William Freeman (S.B.), John A. Warr (S.B.), Frederick I. Dyke (S.B.), Francis L. Philpott (S.B.), James P. Barker, Albert H. Simmonds (S.B.), Thomas E. Leigh, John P. Singleton, Maurice S. Frayne (S.B.), Alexander T. G. Durnford, Gordon M. Tittensor (S.B.), John S. Cooper (E.), Richard H. Scrivener (E.), Hugh Wallace (S.B.), Joseph Jeffery (Pay.), Keith C. Cooper (Pay.), James B. Smith (Pay.), Robert L. Bishop (S.B.), Ian N. MacKay, Russell C. Twining, William W. Chipman (S.B.), Victor E. Bissett (S.B.), Harold S. McNeice, Godfrey T. S. Archbold, Frederick J. Child, Walter A. Thomson (Pay.), Keith C. Sedgman (Pay.), Steven A. Clemens (Pay.), Kevin J. Meagher (Pay.), Louis D. Mahoney (S.B.), Colin D. Campbell (S.B.), Louis A. Bown (S.B.), Gerald T. Richardson (S.B.), Ronald L. Williams (S.B.), John B. Graham, James O. Merchant, Aubrey E. Josey, Louis T. Morin, Walter C. MacKenzie (Surg.), Audley A. Giffin (Surg.), Walter M. Paton (Surg.), Herbert T. Collison, Claude M. Kirk (Surg.), Wilfred T. MacNicholl (Surg.), Stanley F. Blundell (Surg.), George E. Large (Surg.), Hewitt H. W. Brooke (Surg.), William B. Wallace (Surg.), Joseph J. Michon (Surg.), John H. Woodruff (Surg.), Hubert F. MacDonald (Surg.), John A. Lewis (Surg.), Isadore C. Pollack (Pay.), James L. Duncan (Pay.), Frank B. Barclay, Godfrey Harrison, Thomas D. F. Farmer (Surg.), Christopher Ussher, John B. Oxner, Kenneth D. McAlpine, Horace V. Denyer (S.B.), John M. Constable, Andre M. J. G. Legendre, Frederick B. Barrow (Pay.), Archibald G. Hodge (S.B.), Louis de la C. Audette, Richard L. Nixon (Pay.), Douglas H. Craighead (S.B.), John W. Braidwood, John S. Davis, Thomas G. Denny, William Evans, Dudley G. King, Ian McLeod, Frederick R. K. Naftel, Edward T. Simmons, Ralph B. Warwick, John S. O'Neal, Kenneth Birtwistle, James A. Ramsay, John W. Frost (Surg.), Fred J. O'Connell (Pay.), William J. Riddiford (Pay.), Joseph P. Lee, Edward M. Deschamps, Gerald M. Hewlett, Louis O. Campbell, Julius E. Forster, Eric M. Lloyd-Young, Alfred M. Linkletter, William D. Flatt (Surg.), Rene Gervais (Pay.), Francis J. Kelly (S.B.), Thomas M. Sheehan, Richard J. Johnstone, Frederick W. Bogardus, Glyn Rees-Thomas, Philip C. Townsend, William M. Taylor, Alexander G. Smith (Surg.), James P. Robb (Surg.), Reginald N. Ripley (S.B.), Kenneth B. Blakey, Carl R. Sandey, Frank Willcox, St. Clair Balfour, Gordon T. Southam, Kenneth W. With, Frank E. Waterman, John H. B. Gann, Sydney B. Thomas (S.B.), James J. Smith (S.B.), Martin H. Ellis, John E. Horne (S.B.), Charles H. R. Fox (S.B.), Chesley M. Oake (Surg.), George E. Verity (Surg.), John W. MacLeod (Surg.), Donald S. Mitchell (Surg.), Frederick G. W. MacHattie (Surg.), John L. Johnston (Surg.), Ernest D. MacCharles (Surg.), Gaetan Jarry (Surg.), Roderick C. Ross (Surg.), Frederick M. Woolhouse (Surg.), John R. Smith (Surg.), Karl A. Garten (Surg.), John W. Rogers (Surg.), George A. Hendry (Surg.), James F. Elliott (Surg.), Adelard E. Trottier (Surg.), Marvin C. Wellman (Surg.), Charles M. Learmonth (Surg.), John R. Wilson (Surg.), Arnold L. Johnston (Surg.), Robert M. MacDonald (Surg.), Newell W. Philpott (Surg.), Duncan H. Starkey (Surg.), Lawrence P. Little (Surg.), Donald L. McRae (Surg.), William G. Breckenridge (Surg.), Alexander D. Campbell (Surg.), Morton B. George (Surg.), William R. V. Laing (Surg.), Charles D. Keeley (Surg.), James L. McGerrigle (Pay.), Jack R. Anderson (Pay.), Harold P. Connor, Alfred E. Zealley (S.B.), Daniel B. Angus (S.B.), George F. Poirier (S.B.), Leonard Kuypers (E.), James A. Falconer, Ross M. Hanbury, Esward M. Ryan, Bertram M. Tate, Frederick H. Toller, James Childs (E.), Reginald F. Hawley (S.B.), Carson E. Johnson, Donald C. MacKay (Pay.), Charles D. W. Rowlings (Pay.), Hugh R. Macklin (S.B.), Reginald F. Walsh, James

(S.B.)—Special branch.
(Surg.)—Surgeon.
(E.)—Engineer.
(Pay.)—Paymaster.

M. Hendry (Pay.), Hugh C. Grant (Pay.), Arthur Stocker (S.B.), Thomas J. Brown, Clarence W. Warner (S.B.), William F. Gray, John D. Barbour, James P. Thornton (S.B.), William Just, George Buckley, Denis Harvey, Charles H. Stuart, George R. Brown, John C. Conkey, Paul Simard, Joseph C. Dwyer, Emerson Abernethy (E.), George S. Dixon (Pay.), Harold F. Kent (E.), David M. Sutherland (S.B.), Mayo A. Harrigan (S.B.), Vernon C. MacCrae (S.B.), Ernest O. Stockman (E.), Daniel Mabee (S.B.), David T. Dyer (S.B.), Lewis R. Rolland, Gordon M. Luther, John G. Burritt, Jerome M. Laughlin, Norman M. Galt, Henry G. Stairs, James G. Badcock, Sydney W. Buxton, Raymond M. Smillie, Frederick J. G. Johnson, Frederick W. Macbeth, George R. S. Mathews, Ledlie C. Patey, Louis J. T. Langlais, George S. Finlay, Victor G. Meakin, John D. Garrard, John P. D. Mackasey, Duncan C. Lennox, James Ferguson, Frederick L. Clairmonte (S.B.), John W. Marlowe (S.B.), William E. Carrick (S.B.), Reginald W. Wood, Duncan B. Fletcher, John R. McFarlane (Pay.), Donald R. McRobie (Pay.), Edmond C. St. J. Green, Thomas C. Darling (S.B.), Clifton R. Coughlin, Bruce A. Campbell (Surg.), Robert A. Fortye (Surg.), John L. Andras, George W. Chapman (Surg.), John M. Parker (Surg.), Robert S. Hart, James R. Dodds (Surg.), James S. Oppe, Lemuel E. Prowse (Surg.), John W. Hamilton, Donald M. Whitelaw (Surg.), Harry L. Bacal (Surg.), Lorne S. Kyle, Frederick J. Tweedie, Edward L. G. Alford, John T. Lee, George B. Maughan (Surg.), Berkeley Hynes, Gordon H. Wheelock (Surg.), Allan L. Chambers (Surg.), James A. Dunn, Freeman E. Burrows, Thomas C. McLaughlin, Edward D. Fraser, Ian Douglas, Anthony G. Osborne, Edward F. Fox, Walter A. Childs, Gordon H. Patterson, Charles Potts, Paul D. Taylor, Guy St. A. Mongenais, Frank V. Macdonald, Francis J. D. Pemberton, Lyle R. Hoar, Henry S. D. Bauld, John H. Ewart, Allan Boucher, Walter H. V. Thompson, James C. Pratt, John E. B. Riordon, Harold F. Farncomb, Allan R. Webster, Richard S. Williams, Frederick A. Beck, John C. H. Calland, Robert A. Jarvis, Colin S. Campbell, William J. Gilmore, Charles V. Finch, William A. Wilkinson, Charles E. Moore, Horatio A. T. Bird, Herbert A. Plow, Ian Ogilvie, George P. Manning, Herries S. Maxwell, John T. Sharp, Richard H. Angus, Kenneth B. Culley, Frederick B. Brooks-Hill, Anthony G. S. Griffin, Stuart B. Fraser, Claude L. Campbell, Theodore G. Sewell, Henry K. Hill, Thomas E. Nichols, Francis B. Marr, Denis M. Coolican, Joseph J. A. P. Belanger, Harry B. Tindale, Robert A. Dakin, James G. Ferraris (S.B.), John M. Todd, Kenneth G. Clark, John S. Evans, Clifford Chilcott, Philip J. B. Watts, Avard E. Giffin, Charles F. Newell, Ronald A. Judges, Stuart D. Thom, Archibald M. Kirkpatrick, Roland F. Astbury, Herbert H. Hair, Jackson G. Fraser, William A. B. Garrard, Frederick C. Aggett, William G. Aird, Norman J. Alexander, Oscar B. Allan, Edward P. Ashe, Robert P. Baldwin, John A. Bennet, William H. Black, Charles E. Bonnell, Edward L. Borradaile, William D. Boulton, Ronald C. Breckenridge, William S. Brooke, Rodney J. Browne, Alexander Bruce, John A. Buchanan, Armour M. Bull, Gordon M. Butler, Herbert B. Carnall, Gerald M. Coleman, Paul F. Collins, James S. A. Conklin, George D. Cook, Ralph H. Corbold, David R. Dattels, John A. Davidson, Wilfred G. Dolmage, Mortimer S. Duffus, Wilfred F. Duffy, Andrew P. Duke, Arthur A. Evans, Charles J. S. Farrand, Frederick G. Flynn, William S. S. Fowler, Ralph I. Freeman, Thomas G. Fuller, Rufus D. P. Gilday, James L. Gillanders, John H. Gillespie, George R. E. Gilmer, Kenneth G. Glass, Charles E. Godwin, Donald M. Grant, James L. Harries, Richard W. Hart, Harry B. Holland, James G. Humphrey, Robert L. B. Hunter, Gordon E. Kernohan, Zebulun R. B. Lash, John Lecky, Wilford A. Lemon, Donald M. MacGlashan, Douglas H. MacKay, Charles P. MacKenzie, James C. Mackintosh, Edward H. Maguire, Andre Marcil, Georges Marcil, Robert M. Milligan, Albert P. Morrow, Denis J. O'Hagan, George M. Oliver, Edward B. Pearce, James L. Percy, George H. C. Phillips, Hugh J. Plaxton, William W. Quay, Sydney P. A. Redgrave, James R. Sare, Joseph R. G. Schreiber, Lesslie W. Scott, George R. H. Sharps, Sidore B. Shore, Graham F. Shove, Thomas C. Skelton, Gerrard H. Smith, Richard L. Smith, Frederick M. Southan, Kelvin D. M. Spence, Gordon W. Stead, Archibald M. G. Stewart, Neil M. Stewart, Donald G. C. Stuart, Francis L. Stuart, Leonard D. Stupart, John E. Taylor, Ross C. Taylor, William G. Tellier, Cecil G. Trotter, George M. Wadds, Frederick G. B. Whitehead, Ross F. Wilson, Robert H. Wilson, Jeffrey M. D. Wood, Owen H. M. Wright, Weir S. Wright, Jacques de L. Bourgeois (Surg.), Athol C. Church (Surg.), Albert W. Clark (Surg.), Robert L. Cook (Surg.), Everett F. Crutchlow (Surg.), Charles W. E. Danby (Surg.),

(S.B.)—Special branch.
(Surg.)—Surgeon.

(E.)—Engineer.
(Pay.)—Paymaster.

Thomas G. T. Davis (Surg.), Malcolm Dingwall (Surg.), Gordon P. Fahrni (Surg.), Charles M. Fisher (Surg.), Warren R. Fry (Surg.), James C. Gray (Surg.), Ernest A. Hunt (Surg.), Richard A. G. Lane (Surg.), William Locke (Surg.), Leonard E. Lotimer (Surg.), William D. Love (Surg.), David L. MacIntosh (Surg.), Alpin G. MacKinnon (Surg.), Allan C. McCurrach (Surg.), Jared V. McCutcheon (Surg.), John A. McLachlin (Surg.), Murray McLandress (Surg.), Murdo McRitchie (Surg.), Allan F. McRoberts (Surg.), Albert M. Pain (Surg.), John E. Powell (Surg.), John C. Rathbun (Surg.), Walter G. Rice (Surg.), John L. Silversides (Surg.), Henry G. Swan (Surg.), William M. Tait (Surg.), Norman A. Terwillegar (Surg.), Thomas P. Watson (Surg.), Chester C. Wilson (Surg.), William J. Winthrope (Surg.), Francis Amyot (S.B.), Donald R. Bentley (S.B.), Herbert B. Burchell (S.B.), John Convey (S.B.), Leon B. Leppard (S.B.), Lionel J. N. Mothersill (S.B.), John Schierbeck (S.B.), Melvin A. Wortman (S.B.), Hector C. McGowan, John D. Cameron (Surg.), Edwin H. Saunders, John W. Hackney, Colin S. Glassco, Harold M. Colter, Robert B. McKenzie (Surg.), Eric T. P. Wenberg, Sherman T. Hill, John A. Tucker (Pay.), MacKenzie R. Campbell, Philip S. Ross, Duncan M. Hodgson, Charles C. MacDonald (Surg.), George A. Herring (Pay.), Eugene F. Noel, Charles A. E. White, John P. Jarvis, William C. Mulvihill, Frank A. Bryan, Croft G. Brook, Edmond W. Wylde (Surg.), John M. Home, Renault M. S. St. Laurent, Edwin G. Chown, Norman C. Chivers, Frank L. Lovett (Pay.), Ralph B. Munroe, Quentin D. Jacks, William T. Cook, James T. McCormick, William H. Richardson, Ernest Grundy, Richard W. Underhill (Pay.), Kenneth D. Heath, Sidney R. Arber (Surg.), James G. Fyfe (Surg.), Robert Roberts, Neil E. Fraser, Peter F. Thornton, Thomas A. Stevenson (Pay.), George Armstrong (S.B.), Robert A. C. Douglas, George T. New (S.B.), George A. Lawrence (S.B.), Vernon L. Miller, Alfred E. Horne (E), Studley P. Birley (S.B.), Maurice B. Lodge (S.B.), Frank C. Adams, John W. Ross, Philip H. Hughes (S.B.), Rodney L. Strina (S.B.), Francis R. Hall, Clarence W. MacCharles (Surg.), Francis P. McNamee (Surg.), Timothy B. McLean (Surg.), Alexander Marshall (Surg.), William J. Hart (Surg.), W. Elgin Crysler (Surg.), Herbert G. Baker (Surg.), Joseph D. Ross (Surg.), Robert K. C. Thomson (Surg.), Eric H. Lee (Surg.), John D. Atcheson (Surg.), Morley A. Currie (Surg.), Robert D. Millar (Surg.), Allen Craig (Pay.), James E. K. Goldsmith (Pay.), Woodburn S. Thompson, Kenneth C. McRae, Temple H. Wright, Harry Powys-Herbert, John M. Murray (Surg.), Lawrence Fricke, George Goldsmith, Edward Hitchen (Surg.), Percy A. Hoare (S.B.), Robert E. Burns (Surg.), Arthur G. Handford (S.B.), Geoffrey N. B. Scott, Charles F. Draney, Kenneth T. Chisholm, Roderick C. Carter, Ivor R. Thomas, Cecil G. Brock, Elliott D. Woodlock, John F. Lloyd (E.), Frank J. Scully (Surg.), John B. Bracken, Edward P. Taylor, Gordon H. Grant (Surg.), James R. Genge, Robert L. Williams, Hugh E. F. Makovski, Douglas S. Gorrell (Surg.), Allen S. Raney, John L. Little (Surg.), Pierre C. Amox, John N. Cornish (S.B.), Albert J. Hogue (S.B.), Freeman Svenningson (E.), Charles G. Brister, Henry G. Farish (Surg.), Walter S. Archibald (Surg.), John T. M. Ashley (S.B.), Julien Savignac, Robert Carfrae, William G. Ross, Bert Edwards (S.B.), Malcolm G. McCarthy, Hial D. Seeley (Pay.), Adrien F. V. Levesque (Surg.), John R. Longard (S.B.), Hugh L. Crawford (S.B.).

(S.B.)—Special branch.
(Surg.)—Surgeon.

(E.)—Engineer. (S.B.)—Special branch.
(Pay.)—Paymaster. (Surg.)—Surgeon.

PUBLIC DEBT

Mr HANSELL:

1. What was the total amount of our national debt as at March 31, 1919?

2. How much had been paid on such debt up to the above date?

3. What was the total amount of our national debt as at March 31, 1939?

4. How much had been paid on the national debt up to the above date?

5. What is the total amount of our national debt at the present time?

6. How much of our present national debt is attributed to (a) the last great war, (b) the present war?

7. What is the total amount of interest that has been paid on our national debt since confederation, or as far back as our records of borrowings show?

Mr. ILSLEY:

1. The net debt (total liabilities less active assets) of the dominion of Canada on March 31, 1919, was $1,574,531,032.44.

2. Annual increases and decreases in the net debt of Canada since confederation are shown on page 65 of the public accounts of Canada for the fiscal year ended March 31, 1941.

3. The net debt (total liabilties less active assets) of the dominion of Canada on March 31, 1939, was $3,152,559,314.48.

4. See answer to question No. 2.

5. The net debt (total liabilities less active assets) of the dominion of Canada on March 31, 1941, (the latest date for which the figure has been published), was $3,648,691,448,56.

6. It is not possible to determine with any degree of accuracy what portion of the net debt of Canada is due to the last war and what portion is due to the present war. All loans issued during the last war have matured; in some cases maturing issues were paid off, in most cases they were refunded, and in some cases refunding issues were increased to provide funds for other purposes.

Expenditures due to war are charged to the consolidated revenue fund as are all other government expenditures.

All receipts, either from taxes, loans, or from other sources, are credited to the consolidated revenue fund. It is impossible, therefore, except by the use of highly hypothetical assumptions, to calculate the proportion of the present net debt attributable directly or indirectly to the last war, the present war, or to other specific causes.

However, because since the outbreak of the present war total government revenues have been in excess of total non-war expenditures, there may not be great inaccuracy in taking the total increase in net debt between March 31, 1939 and March 31, 1941, namely, $496,132,134.08, as being due to the war.

7. $3,509,928,986 has been paid by the dominion in the period July 1, 1867 to March 31, 1941, in interest on the public debt (bonds, stocks, trust funds, etc.).

MILLEDGEVILLE, N.B., AIRPORT

Mr. HAZEN:

1. Was a flag pole erected at the Milledgeville airport, New Brunswick, in 1940 or 1941?
2. If so, when was it erected?
3. Who erected it?
4. What did it cost?

Mr. POWER: In so far as the Department of National Defence for Air is concerned:

1. Yes, in 1941.
2. Erection completed 19th May, 1941.
3. John Flood & Son, Saint John, N.B.
4. $631.

WHEAT ACREAGE REDUCTION BONUS

Mr. HAZEN:

1. What are the names and addresses of the persons to whom cheques were issued (a) for over $10,000, (b) for $5,000 to $10,000 on wheat acreage reduction bonus?
2. How were the amounts made up?
3. How much did each receive?

Mr. GARDINER: Stand.

Mr. HANSON (York-Sunbury): This question has been on the order paper a long time. Undoubtedly the names are available in the archives of the Department of Agriculture, and the only question is: should the names be revealed. I want to make a protest here and now before this question stands. The names of any persons who get the money of the taxpayers of Canada should on request be revealed to the public of Canada. A refusal cannot be cloaked behind such a specious answer as the minister gave in this house before the adjournment.

Mr. GARDINER: The question was up previously in this house on one occasion and at that time it was asked to be allowed to stand for further consideration. I have just arrived back this morning from the west and this question has not had that further consideration. I might say to my hon. friend that I do not think the reason given is any more specious than the suggestion made by the leader of the opposition a few days ago to the effect that anyone who is paying money into the treasury by way of income tax should not have the amount disclosed.

Question stands.

PRICE CEILING—SUBSIDIES

Mr. HAZEN:

1. On what goods and materials, domestic and imported, are subsidies now being paid?
2. What subsidy is paid on each kind of goods and materials?
3. How much has been paid to date on each kind of goods and materials?
4. What are the names and addresses of the persons or companies who have been paid subsidies and how much has each received?

Mr. ILSLEY: I propose to make a statement on the subsidies being paid by the Commodity Prices Stabilization Corporation at the earliest opportunity that offers on the war appropriation bill. I should like to ask that this question, as well as the first notice of motion for the production of papers, stand until that time. I ask this because a

question very similar to the one which has just been discussed arises, as well as certain other questions which can be dealt with only in a complete and full statement.

Mr. HANSON (York-Sunbury): Will there be an opportunity to debate the principle?

Mr. ILSLEY: I shall make the statement on the war appropriation bill.

Question stands.

NAVAL SERVICE—PUBLIC RELATIONS

Mr. BOUCHER:

1. What are the names of all persons employed in the press liaison or public relations branch of the Department of National Defence for Naval Service?
2. What naval rank, if any, does each such person hold and what previous naval experience, if any, did each such person have?
3. What is the total annual salary and/or pay and allowances received by each such person?

Mr. MACDONALD (Kingston City):

1, 2 and 3.

Name—Rank	Annual pay	Previous naval experience
H. E. W. Strange, Lieutenant-Commander R.C.N.V.R.	$4,142 75	Service in Royal Navy during war, 1914-18.
E. H. Bartlett, Lieutenant, R.C.N.V.R.	2,920 00	Service in Royal Navy during war, 1914-18.
Wm. Sclater, Lieutenant, R.C.N.V.R.	2,692 75	Disciplinary course in Royal Canadian Navy.
Mr. W. J. Gilhooly	3,600 00	
Mr. Chas. Nelles	1,620 00	Close contact with R.C.N. for many years and service afloat in private capacity.
Miss F. Belyberg	1,080 00	
Miss A. Grenier	1,080 00	
Miss M. Goudy	1,080 00	
Miss M. T. Patterson	1,080 00	
Miss H. M. Merkley	720 00	
Mr. Maurice O'Heare	720 00	
Mr. P. E. Raymond	420 00	

TAXES ON ALES, WINES AND LIQUORS

Mr. HATFIELD:

What revenue does the federal government receive from all taxes on, (a) liquors, (b) beer and ale, (c) wines?

Mr. GIBSON: Excise duty and excise taxes collected during the fiscal year ended 31st March, 1941.

(a) Liquors—matured spirits		$16,587,986 19
(b) Malt used in brewing	16,801,739 80	
Dutiable beer	324,003 60	
Home brew malt syrup	108,680 94	
(c) Domestic wines	658,032 87	

In addition to the foregoing there is 8 per cent sales tax paid on the selling prices by the producers. This revenue is not, however, segregated from the total sales tax revenue.

CANNED LOBSTER

Mr. FRASER (Peterborough West):

1. What is the total amount of canned lobster which has been sold during the last year (a) in Canada, (b) for export?
2. What was the total cost incurred by the dominion treasury in the sale of canned lobster?

[Mr. Ilsley.]

Mr. MICHAUD:

1. (a) Information not available.

(b) Exports in 1941 18,677 cwts., or 38,910 cases.

2. 1941-42 to March 31, 1942.

Lobster control scheme		
Gross cost	$52,221 05	
Sales	37,512 85	
Net cost		$14,708 20
Advertising		
Which aided sale of canned lobster generally		49,178 81
Total		$63,887 01

TUG "BALLY"

Mr. McGREGOR:

1. On what date was the tug *Bally* chartered by the Department of National Defence for naval services?
2. Was she released from service in September, 1941?
3. If so, for what reasons?
4. Was she subsequently re-chartered?

5. If so, on what date?
6. Has she since been released from service?
7. If so, on what date and for what reasons?

Mr. MACDONALD (Kingston City): The tug *Bally* was chartered by the naval service on the 8th December, 1939. As the vessel required extensive repairs to continue on the duties upon which she was employed and as the department purchased a more suitable vessel, the owner was advised to take delivery of the vessel at Halifax on the 9th September, 1941. The owner did not take delivery and was again notified on the 14th November, 1941, that from the 9th September, 1941, the department would assume no responsibility with regard to the vessel, its stores and appurtenances.

By letter dated 30th October, 1941, the owner advised the department that he preferred to loan the vessel to the department until the spring of 1942, if no other arrangement could be made, as he considered it unsafe to bring her to Charlottetown during the winter.

Charter fees have not been paid beyond the 9th September, 1941, nor has the department assumed any responsibility with regard to the vessel, its stores and appurtenances since that date.

Due to the expansion of the naval service, it is possible that the vessel would be suitable for other purposes without the necessity of extensive repairs required for her original duty. The possibility of utilizing the vessel for other purposes is under consideration, but a decision with regard to her re-charter has not yet been reached.

TUG "PEGGY L"

Mr. McGREGOR:

1. On what date was the tug *Peggy L* chartered by the Department of National Defence for Naval Services?
2. From whom was she chartered?
3. How many days did she actually operate under charter during each of the years 1939, 1940 and 1941?
4. What payment per day was made in respect of her operations?
5. What was the total amount paid to her owners in each of the years 1939, 1940 and 1941?

Mr. MACDONALD (Kingston City):

1. The tug *Peggy L* has not been chartered by the Department of National Defence for Naval Services.

2, 3, 4 and 5. Answered by Number 1.

CARRIER PIGEONS

Mr. FRASER (Peterborough West):

1. Has the government purchased any carrier pigeons for use as message carriers?
2. What action, if any, has the government taken to encourage the raising of carrier pigeons?

Mr. McLARTY: It is not considered to be in the public interest to provide answers to these questions.

WOMEN AS METEOROLOGISTS IN R.C.A.F.

Mr. CRUICKSHANK:

1. Are women used as meteorologists, grade 3, in the Royal Canadian Air Force?
2. If not, will their services be used to replace men now employed in this work?

Mr. HOWE:

1. This question is taken to refer to meteorological assistants, grade 3, in which position it is not proposed, for the present, to employ women. Women are being employed as meteorological assistants, grades 1 and 2, to replace men now engaged in this work at forecast stations.

A considerable portion of the work of meteorological assistants, grade 3, consists in giving lectures to pilots in training for overseas duty, and in this lecture work, both in the air force in Great Britain and in Canada, it is believed that the instruction can best be given by men.

A large number of meteorological assistants are assigned to isolated stations where no provision is made for the accommodation of women. However, arrangements are being made by the meteorological service for training a class of women enlisted in the air force to assist in the preparation of weather maps and in taking weather observations at air training stations.

2. Answered by No. 1.

WARTIME HOUSING

Mr. ROSS (St. Paul's):

1. What contracts were let by the housing administration of the Department of Finance for wartime housing?
2. At what locations were these contracts let?
3. How many houses did these contracts cover?
4. What are the descriptions of these houses, showing the number of rooms, construction, material, etc.?
5. What are the conveniences at each location such as water, sewers, etc?
6. What was the estimated cost of each unit at each location?
7. What was the contract price at each location?
8. Was it a lump sum, cost plus percentage, or fee?
9. What was the actual cost of each unit at each location?
10. Do the above costs include the cost of the land?

Mr. ILSLEY:

1. None.

2, 3, 4, 5, 6, 7, 8, 9 and 10. Answered by No. 1.

NAVAL SERVICES—OFFICER TRAINING

Mr. ROSS (St. Paul's):

1. Is it the rule of the Department of National Defence for Naval Services that a person who never served in any army or navy or graduated from the Royal Military College, or naval college, and who now desires to join the naval forces with officer rank, must first join up as a rating and serve as a rating for several months before he will be put in training for officer rank?

2. Are there any exceptions or exemptions to this rule; and if there are, when were the exceptions and exemptions set up, to what classes of persons do they apply, in what parts of Canada are they being made effective, and what is the nature of the exceptions and exemptions and why are they set up?

3. Are there boards to select prospective young Canadians both English and French to take officer training without first serving as ratings?

4. If there are any such boards who are the members of the various boards, what are the naval qualifications of each member, when were the boards set up, and where are they located?

5. How many young men, (a) English-speaking, (b) French-speaking, have been selected by these boards to take officer training without first serving as ratings?

Mr. MACDONALD (Kingston City):

1. No. Officer vacancies are filled both by advancement from the lower deck and by direct entry from shore.

2. Answered by No. 1.

3. Yes.

4. If possible boards are composed of at least one captain and two commanders, one of whom is an authority on educational matters. Naval qualifications are indicated by the senior rank held by officers on the boards. The boards are appointed from time to time as required by naval service headquarters, and sit in all the principal cities of Canada as required.

5. It is not possible to give an exact reply without extensive review of records, but in 1941 out of approximately 1,000 officers entered after interview approximately 150 were French speaking.

PRICE CEILING—DAMAGE OR COMPENSATION CLAIMS

Mr. BRUCE:

1. Have damages or compensation been claimed under the Price Control Act?

2. If so, what is the aggregate of the amount of damages claimed?

Mr. ILSLEY:

1. Yes, one claim. The claimant stated that after the passage of P.C. 8527 of November 1, 1941 (maximum prices regulations) but prior to the issuance of order No. 66 of the wartime prices and trade board dated November 26, 1941 (exempting fresh fruits and vegetables from the provisions of section 3 of the maximum prices regulations) he contracted to sell potatoes to the Department of Munitions and Supply without making any stipulation that the contract price was subject to adjustment in the event of an increase in the price of potatoes. It appears that during the currency of the contract the claimant was unable to purchase potatoes at prices which would enable him to fulfil his contract with the Department of Munitions and Supply without financial loss to himself. The board took the position that it was not liable for such losses.

2. $1,695.71.

MILITARY SERVICE—CANADIAN NATIONAL RAILWAY EMPLOYEES

Mr. BRUCE:

In regard to the clerical staffs of the Canadian National Railways, has provision been made to exclude young men and women in category "A" who are fit for active military service between the ages of 18 and 45?

Mr. CARDIN: The management of Canadian National Railways state that in the employment of men the railway will be guided by terms of order in council P.C. 2250, and instructions have been issued accordingly. Said order in council refers only to male persons.

PRIORITIES UNEMPLOYMENT

Mr. CHURCH:

What steps are being taken by the government to aid the victims of priorities unemployment who are bearing part of the war burdens, as compared with the lot of munition and defence workers?

Mr. MITCHELL: The government has established some 100 employment and claims offices across Canada, the personnel of which offices are charged with,—

(a) placement in employment of those who are seeking work; (b) the administration of the Unemployment Insurance Act; and (c) securing workers to meet the demands of employers, especially those who are engaged in war work.

The managers of all those offices have been instructed to keep themselves informed as to possible "layoffs" due to changes in employment requirements brought about by causes such as shortage of material due to priority orders or other reasons and where any such "layoffs" occur to make special efforts to move those laid off into other remunerative employment and where this cannot be done locally to contact the regional offices in order that other arrangements to this end may be made.

BROADCASTS OF UPTON CLOSE OVER NBC

Mr. CHURCH:

1. Has the attention of the government been called to the offensive broadcasting for the NBC, of one Upton Close, and his tirades against Britain?

2. Have any complaints been made to the NBC regarding same?

3. What will be done to stop it, and also similar anti-ally broadcasts?

4. Is there any censorship on NBC or on CBC broadcasts on matters of this kind?

Mr. THORSON:

1. The attention of the CBC has been called to the broadcasts mentioned.

2. Yes.

3. The NBC has taken action which, it is believed will be effective.

4. The NBC is subject to U.S. censorship and the CBC to Canadian censorship. There is close and friendly cooperation between these broadcasting organizations.

MORATORIUM ON MORTGAGES

Mr. CHURCH:

What action is the government taking with respect to a national moratorium on all mortgages on land, including homes and other buildings, under the War Measures Act, for the period of the war and two years thereafter, on (a) property owned by civilians, (b) property owned by members of His Majesty's forces?

Mr. ILSLEY: No action has been taken. Whether such action will be taken in the future is a matter of policy, as to which an announcement will be made if and when action of the kind suggested is taken.

TORONTO DISTRICT DIRECTOR OF POSTAL SERVICES

Mr. NOSEWORTHY:

1. What was the salary paid the Toronto district director of postal services of mail, Mr. Gibson, in 1939, 1940 and 1941?

2. What was the salary paid the Montreal district director of the same service for each of these years?

Mr. MULOCK:

1. 1939, $6,000; 1940, $6,000; 1941, $6,000;

2. 1939, $5,475; 1940, $5,775; 1941, $6,000.

The amounts shown for 1939 and 1940 in the answer to question No. 2 are explained by the fact that the present incumbent was promoted to the position effective 1st September, 1938, at the minimum rate of the class, viz., $5,400. He received a statutory increase effective 1st October, 1939, raising his salary from $5,400 to $5,700 per annum, and a further increase effective 1st October, 1940, from $5,700 to $6,000 per annum, the maximum salary range of the position.

WAR EXCHANGE TAX ON IMPORTED FARM IMPLEMENTS

Mr. WEIR:

1. Has the Department of National Revenue any knowledge of any farm implement company adding the war exchange tax to its prices on farm implements imported and cleared through customs before this tax was applicable?

2. If such information is not available, will the department make the necessary inquiry to ascertain if such practice has been followed, and if it is found that such tax has been added, will the department take steps to, (a) secure such amounts as so added for the benefit of the treasury, (b) require such companies to reimburse the purchasers who may have been overcharged?

Mr. GIBSON:

1. Representations have been made to the Department that this has occurred.

2. (*a*) No.

(*b*) No.

CAPITAL EXPENDITURE ON WAR OPERATIONS

Mr. JACKMAN:

1. Is all capital expenditure on war operations charged to current expenses of the government?

2. How much did the British government spend on capital investment or in furnishing working capital for war production plants in Canada, (a) prior to the declaration of war, (b) since the declaration of war?

Mr. HOWE:

1. Yes.

2. (a) No information.

(b) We are requested by the British government not to divulge any information regarding war contracts placed by them in Canada.

R.C.A.F.—WOMEN'S DIVISION

Mr. JACKMAN:

1. How many women have been enlisted in the women's division, Royal Canadian Air Force?

2. How many have replaced airmen?

3. How many have replaced civilians?

4. How many have gone to new jobs?

Mr. POWER:

1. 2,825 as at March 31, 1942.

2. 1,523.

3. 21.

4. 479.

Note—Of the total enlistments of 2,825 indicated in answer No. 1, 781 are under training or on leave without pay and 21 have been discharged.

SHELL CONTRACTS—ALBERTA

Mr. JACKMAN:

1. Has the Department of Munitions and Supply a contract for the making of shells with a company located in Alberta?

2. If so, what size and quantity of shells does the contract call for?

3. What actual deliveries have been made to a recent date?

4. Did the government advance money for the building of the plant to make such shells, or for the purpose of providing working capital?

5. If so, how much was advanced in each case?

6. In what place or places was the shell-making machinery manufactured for such plant?

7. Where was such machinery tested?

8. What is the cost per shell, according to size or type?

9. What is the lowest cost of such shell, or shells, manufactured in Canada for the government?

10. Could the plant turning out such shells at the lowest cost to the government have turned out an additional quantity of shells equal to the amount turned out in the Alberta plant, at such lesser price or even at a still lower price?

Mr. HOWE:

1. Yes, the Alberta Foundry and Machine Company Limited, Medicine Hat, Alberta.

2. 3·7″ shell—quantity 150,000—machining only.

3. As of March 20, 1942, shells delivered 81,937.

4. The government advanced no money for the building of the shell plant nor for the purpose of providing working capital. The government did provide capital assistance for: Alterations to buildings, $5,850; jigs, tools, dies and gauges, $7,158.75; machinery and equipment, $135,201.85; total $148,210.60.

Title to the above, except the alterations of $5,850, is vested in the Canadian government and may be removed at the government's discretion.

5. Answered by 4.

6. The greater part of the machinery was made in Canada by the John T. Hepburn Co., specialists in the manufacture of shell machinery. Smaller items were bought from the Williams Tool Company, Brantford; W. R. Perrin, Toronto; Gray Foundry and Forgings Company, Toronto; Standard Machine Tool, Windsor; and Hanson Van Winkle, Toronto.

7. All machinery was tested before it left the manufacturer's plant, and was subject to rigid performance specifications.

8. The cost of the shell has not yet been determined, being subject to a government audit which has not yet taken place.

[Mr. Power.]

9. One other contractor is operating on the same basis as the Alberta Foundry and Machine Company Limited, but no audit has been completed in this case.

10. It is possible other plants could turn out shell at a cost equal to that of the Alberta Foundry and Machine Company Limited. The head of this company machined shells in the last war and is a highly competent machine shop operator. The contract is a target price contract and the production is running considerably ahead of rated capacity.

PERSONAL INCOME TAX—GOVERNMENT EMPLOYEES

Mr. JACKMAN:

1. Is any officer or employee of this government or any government-owned corporation, or other emanation of the crown, in receipt of any salary, remuneration or other emolument, on which such officer or employee does not pay personal income tax?

2. If so, what are the names of such officers or employees?

3. How much does each receive annually?

4. How much is the tax assumed by the payor in each case on the income paid to such individual for the calendar year 1940?

Mr. GIBSON:

1. (a) Those who receive less than the exemptions provided by the act.

(b) The service pay and allowances of non-commissioned officers and men of the Canadian active service forces.

(c) Commissioned officers of the Canadian naval, military and air forces on active service beyond Canada, or on active service in Canada, whose duties are of such a character as are required normally to be performed afloat or in aircraft.

(d) Diplomatic representatives of the government residing abroad on their official salary only.

(e) Pensions paid to non-resident pensioners by the government.

(f) Retiring allowances as distinct from superannuation allowances paid to retired government servants.

2. Information not available.

3. Information not available.

4. Information not available.

R.C.A.F.—LACHINE MANNING DEPOT

Mr. JACKMAN:

1. What was the original estimate for the erection of the Lachine manning depot of the Royal Canadian Air Force?

2. Has the estimate been exceeded, and by how much, and for what reasons?

Mr. POWER:

1. $1,584,000.

2. The original estimate has been exceeded in the amount of $1,009,160, due to an increase in the accommodation capacity from 2,000 to 3,600.

PLEBISCITE—CANADIAN FORCES

Mr. JACKMAN:

1. What arrangements are being made for the taking of the plebiscite among the eligible voters in the British West Indies, (a) in the army, (b) in the navy, (c) in the R.C.A.F.?

2. How many voters are included in the personnel of each of these services in the British West Indies?

Mr. McLARTY:

1. A special returning officer, a chief assistant, and two scrutineers have been appointed with regard to the taking, receiving and counting of votes cast by Canadian Service voters stationed in Jamaica, B.W.I., and they have been provided with a sufficient number of ballot papers, envelopes, and other necessary plebiscite supplies.

2. For service reasons, it is not in the public interest to indicate the numbers of Canadian soldiers, sailors and airmen in the area mentioned.

NATIONAL INCOME—PROPORTION TO PERSONS IN CERTAIN WAGE CLASSES

Mr. JACKMAN:

1. What was the national income for the years 1939, 1940 and 1941?

2. (a) What amount of the national income went to individuals receiving $3,000 per year or less in each of the above years; (b) how many individuals were in that class?

3. (a) What amount of the national income went to individuals receiving over $3,000 per year but not over $5,000 per year in each of the above years; (b) how many individuals were in that class?

4. (a) What amount of the national income went to individuals receiving over $5,000 per year in each of the above years; (b) how many individuals were in that class?

Mr. MacKINNON (Edmonton West):

1. Canada's national income was provisionally estimated for 1939 at $4,862 million, while the estimate for 1940 was about $5,400 million. The total for 1941 is not available.

2. (a) No information is available as to the distribution of the national income by income classes during the years 1939, 1940 and 1941. (b) No estimate has been made as to the number of income recipients by income classes.

3. (a) and (b). See answer to question 2.

4. (a) and (b). See answer to question 2.

INVENTORY OF PRODUCTION MACHINERY

Mr. BRUCE:

1. Has the government taken any steps towards having a complete inventory made of our entire production machinery?

2. If so, what steps have been taken in this regard?

3. If not, will this be done?

Mr. HOWE: Since the inception of the department, a reasonably complete survey has been made of Canada's production capacity, 3,122 surveys having been made. Of this number, resurveys have been made of 1,486 plants, 516 of these having been resurveyed by department engineers during the first three months of this year. In addition to this, a survey of production capacity involving 4,986 plants has been made by the Canadian Manufacturers' Association and the Canadian Chambers of Commerce who have co-operated very fully with the Department. This combined information is now in charge of the Industry and Subcontract Coordination Branch. These files are in constant use and are continually being revised.

Small plants are urged to make sure that their facilities are on record with the Department. This can be accomplished by writing or telephoning to the nearest district office of the Industry and Subcontract Coordination Branch. These are located in Saint John, N.B., Montreal, Que., Toronto, Ont., Winnipeg, Man., and Vancouver, B.C.

CAPITAL ASSISTANCE TO INDUSTRY

Mr. O'BRIEN:

1. What is the total amount of capital assistance given by the Department of Munitions and Supply to, (a) private industry, (b) wholly owned government corporations, since war was declared?

2. What is the amount of capital assistance so given private industry and/or to wholly owned government corporations, whose plants are situated in New Brunswick?

3. What is the total volume of all orders given by the Department of Munitions and Supply to all Canadian industry?

4. What is the amount of all war orders given to private industry in the province of New Brunswick?

Mr. HOWE:

1. (a) $498,766,451; (b) $71,464,857; as at December 31, 1941, for United Kingdom account and January 31, 1942, for Canadian account.

2. (a) $1,135,172 as at dates given above. (b) There are no wholly-owned government corporations in New Brunswick.

3. $3,602,707,875 as at March 31, 1942.

4. It is impossible to give a breakdown by provinces that will properly reveal the extent

to which each province is participating in war contracts. A contract placed with a firm in one province may require manufacture or purchase of component parts from firms in other provinces. Also, contracts may be placed with companies whose head offices and administration are in one province and whose factories for production are in one or more provinces.

PLEBISCITE—VOLUNTARY SERVICES

Mr. WARD:

1. Will volunteer workers be used in connection with the coming plebiscite?

2. If so, what method will be adopted to enlist such services?

Mr. McLARTY:

1. So far as may be possible, advantage will be taken of offers of voluntary services.

2. Subordinate plebiscite officers are nominated by two candidates of different and opposed political interests who received the highest and the next highest number of votes in the last general election. In some electoral districts services of volunteer workers have been recommended.

CANADIAN INSTITUTE OF PUBLIC OPINION

Mr. O'BRIEN:

1. Is the Canadian institute of public opinion a body corporate under laws of the Dominion of Canada?

2. If so, who are the incorporators and where is the head office?

3. Is any control exercised to determine that a truly diversified public opinion is obtained on public or allegedly public questions?

4. May such an organization privately conceive and inaugurate any such series of questions?

Mr. McLARTY:

1. There is no record of the grant of incorporation under the Companies Act (Canada) nor dominion statute to any organization under the name "Canadian Institute of Public Opinion."

2. Answered by 1.

3. Such an organization would be subject to dominion, provincial and municipal laws and regulations in force in each place where its operations are carried on.

4. Answered by 3.

NEW BRUNSWICK COAL DEPOSITS

Mr. O'BRIEN:

1. Has the government made any investigation regarding the coal deposits in the province of New Brunswick?

2. If so, what are the findings?

3. If not, will investigations be inaugurated in order to supplement Canada's fuel supply?

[Mr. Howe.]

Mr. CRERAR:

1. Yes.

2. Published maps of the Geological Survey, Canada, show the areas in New Brunswick where the presence of coal is considered possible. Investigations of the survey from 1866 to present indicate the strong probability that workable coal in New Brunswick is restricted to a single seam (18 to 26 inches thick), the one already being mined. Results of a special investigation of the Grand Lake coalfield accompanied by geological maps of the field were published in 1926 and formed the basis of further detailed investigations by the provincial geologist of New Brunswick from 1935 to present. Because the workable coal is confined to a single seam within a nearly flat-lying thin surface rock formation, there are no outstanding problems of geology remaining to be solved that would further exploitation; nor has the government of New Brunswick made any requests for specific investigations upon which action has not been taken.

Systematic drilling is the main requirement as a preliminary to further production. By its use present producing companies have extended the workable areas and increased coal production in 1940 by 82 per cent over the average production for the past ten years.

The fuel laboratories of the Department of Mines and Resources have made many tests on New Brunswick coal. The results of this work demonstrated that New Brunswick coal could be materially improved by washing and sizing and that a substantial reduction in ash took place. It was also shown that not only could a good coke be prepared by utilizing a low temperature carbonization process but also that an excellent coke could be produced when the washed coal was processed in the Curran Knowles by-product coke ovens.

3. No investigations are presently contemplated during the fiscal year 1942-43.

WARTIME HOUSING—HULL, QUE., AND WELLAND, ONT.

Mr. NICHOLSON:

1. Did wartime housing call for tenders in connection with the building of houses in Hull, Quebec?

2. If so, what firms submitted tenders?

3. What firms were awarded contracts in connection with the building of these houses?

4. Were tenders called in connection with the beautifying of the wartime housing plots in Welland, Ontario?

5. What will be the total cost of this work?

Mr. HOWE:

1. Yes, by advertisement in the Ottawa *Evening Journal,* the Ottawa *Citizen,* and the *Daily Commercial News,* on July 31 and August 1, 1941.

The following were also invited to tender by letter: Bertrand & Paquin, 5830 rue Chabot, Montreal; L. O. Trottier, 633 Bonaventure St., Trois Rivières, Que.; Ed. Brunet & Son, 35 Aylmer Rd., Hull, Que.; Abitibi Trading Agencies & Supplies Ltd., 219 York St., Ottawa; A. Amyot & Sons, 275 Blvd. St. Joseph, Hull, Que.; Doran Construction Co., 78 Bank St., Ottawa; A. I. Garvock, Regent Theatre Bldg., Ottawa; Ross-Meagher Ltd., 7 Echo Drive, Ottawa; G. A. Crain & Sons, 285 Clemow Ave., Ottawa; Concrete Construction Limited, 1082 Decarie St., Montreal; Theo. Lambert, 168 Laurier Ave., Hull, Que.; G. Archambault Ltee., 726 Atwater Ave., Montreal; Victor Bernier, 3968 Ontario East, Montreal; J. L. Guay Freres Ltd., 437 Guy St., Montreal; Dominion Construction Corp. Ltd., 217 Bay St., Toronto; Marien-Wilson Ltee., 1434 St. Catherine W., Montreal; Canada Flushwood Door Co., 3170 Maplewood Ave., Montreal.

2. Bertrand & Paquin, 5830 Chabot St., Montreal; G. Archambault, 726 Atwater Ave., Montreal; H. F. McLean Ltd., 917 Keefer Bldg., Montreal.

3. H. F. McLean Ltd., 917 Keefer Bldg., Montreal.

4. Tenders are now being received on this work.

5. Tenders have not yet been opened and no contract has been awarded. It is not possible, therefore, to state the total cost of this work.

SHIPMENT OF BRITISH COLUMBIA LUMBER TO BRITAIN

Mr. O'BRIEN:

1. What quantity of lumber (b.f. measure) has been brought across Canada from British Columbia for shipment from eastern Canadian ports to Great Britain and/or other theatres of war?

2. Has this movement of lumber been investigated in order to determine if similar lumber could not be purchased in eastern Canada?

3. What was the cost of railroad freight on said lumber so moved?

4. What sizes of lumber are so moved?

Mr. HOWE: The lumber covered by this question has been purchased direct by the British timber control board from the regular British Columbia exporters of lumber. The information requested would require to be obtained from the British timber control board, the Canadian exporters, and the Canadian railways.

QUESTIONS PASSED AS ORDERS FOR RETURNS

MILITARY SERVICE—FISHERMEN

Mr. ISNOR:

Will persons wholly or mainly employed in fishing enjoy the same exemptions from military services as persons wholly or mainly employed in agriculture?

Mr. THORSON: Return tabled.

ORDNANCE DEPOT BUILDING, OTTAWA

Mr. ROSS (St. Paul's):

1. Is the government planning the immediate erection of a permanent building as an ordnance depot on the Booth property by Plouffe park, Ottawa, for the Department of National Defence?

2. What will be the size of the building?

3. What type of construction?

4. What is the estimated cost?

5. How much steel will be required?

6. What is the time estimated for the construction of this building?

7. What are the estimated quantities of copper, brass, zinc, aluminum, tin, galvanized iron, sheet metal, wrought iron pipe, and cast iron pipe, to be used in the construction?

8. What is the estimated cost of the building without the land?

9. What is the cost of the land?

Mr. RALSTON: Return tabled.

CANADIAN FORCES—DISCHARGES

Mr. GREEN:

1. What is the total number of men who have been discharged from, (a) the navy, (b) the army, (c) the air force, since the outbreak of war?

2. How many men have been discharged from, (a) the navy, (b) the army, (c) the air force, during each month since the outbreak of war?

AIR RAID PRECAUTIONS—ARMY FIRE MARSHAL—EXTINGUISHERS AND ALARM SYSTEMS

Mr. BRUCE:

1. In making provision for the office staff of the fire marshal of the Canadian army, is use being made of the experienced help now in the department?

2. Have any been engaged independent of the civil service commission?

3. Has a new type of fire extinguisher, not heretofore recommended by A.R.P. officers, been ordered?

4. If so, were the previous types considered obsolete or unsatisfactory?

5. What type of hand alarm was recommended by the A.R.P. officials?

6. Has this been changed to an electric alarm, and if so what is the reason for the change?

7. What additional expense will the change involve?

CIVIL SERVICE AGE LIMIT REGULATIONS

Mr. BRUCE:

1. Is there any ruling affecting the age limit at which new employees are taken into the civil service?
2. If not, will future appointments exclude men and women between the ages of 18 and 45?
3. In the case of the R.C.M.P., has any change been made in respect to the age limit of new men taken on since the war began, (a) if so, what are the present limitations; (b) if not, is it the intention of the government to exclude men from this service who are in category "A" between the ages of 21 and 40?

Mr. McLARTY: Return tabled.

MILITARY SERVICE—EMPLOYEES OF BEAUTY PARLOURS

Mr. BRUCE:

1. How many beauty parlours are there in Canada?
2. How many in each of the provinces?
3. How many men between the ages of 18 and 50 are employed in these beauty parlours?
4. How many women between the ages of 18 and 40?
5. Is it the intention of the government to prohibit the employment in beauty parlours of women between the ages of 18 and 40, who are otherwise physically fit for some form of useful war work?

Mr. McLARTY: Return tabled.

DECENNIAL CENSUS—NORTH BATTLEFORD

Mrs. NIELSEN:

1. Who were the persons employed in the taking of the 1941 census in the constituency of North Battleford?
2. Where do they reside?

Mr. MacKINNON (Edmonton West): Return tabled.

DRAFTEES FAILING TO REPORT

Mr. MacNICOL:

1. How many draftees, (a) by provinces, (b) by cities having a population of 25,000 or over, have failed to report for service after notification?
2. How many prosecutions have been taken, (a) by provinces, (b) by cities having a population of 25,000 or over, against persons who have failed to so report?

Mr. THORSON: Return tabled.

EMPLOYMENT OF CONSCIENTIOUS OBJECTORS

Mr. HANSELL:

1. What is the government's position in respect to the employment of conscientious objectors in wartime industries and government wartime projects?
2. If such men are employed in such industries and projects, do they receive the regular rates of pay?

Mr. THORSON: Return tabled.

[Mr. Bruce.]

NATIONAL INCOME—WAGES AND SALARIES

Mr. JACKMAN:

1. What was Canada's national income for the years, (a) 1939, (b) 1940, and (c) 1941; (d) what is the estimated national income for the year 1942?
2. What proportion of the national income went to wages and salaries in each of the above years?
3. What proportion of the national income went to investment income in each of the above years?
4. What is the aggregate of salaries and other earned income of $5,000 or more and how many taxpayers were included in that class during the last available designated year?
5. What is the aggregate of the salaries or other earned income of $10,000 or more and how many taxpayers were included in that class during the last available designated year?
6. What was the increase in the national income during the year 1940 as compared with the year 1939, and during the year 1941 as compared with the year 1940?
7. (a) What proportion of this increase went to salaries and wages during 1940 and 1941; (b) what part of this increase was taken by dominion taxation; (c) what proportion of this increase went to investment income during 1940 and 1941; (d) what part of this increase was taken by dominion taxation?

Mr. McLARTY: Return tabled.

CANADIAN FORCES PERSONNEL ON MINISTERIAL INQUIRIES

Mr. JACKMAN:

1. What is the number of personnel engaged in following up ministerial inquiries in, (a) Department of National Defence, (b) Department of National Defence for Air, (c) Department of National Defence for Naval Services?

Mr. McLARTY: Return tabled.

CIVIL SERVICE APPOINTMENTS SUBSEQUENT TO WAGE CEILING

Mr. JACKMAN:

1. How many persons have been taken on as temporary or permanent civil servants, or on behalf of government-controlled agencies since the order in council of November 15, 1941, froze salaries?
2. What was each person paid in the last position held by him or her?
3. What was each person paid on being employed by the government?

Mr. McLARTY: Mr. Speaker, I am advised that the answer to the second question cannot possibly be made as it is not available, but subject to the hon. member's withdrawing that part of the question I would ask that this be made an order for return.

Mr. SPEAKER: Order for return, as indicated.

WAGE CEILING—CIVIL SERVANTS

Mr. JACKMAN:

1. What is the basis of exemption of civil servants from the wage ceiling?
2. What statutory increases in salaries were given to civil servants in January?
3. What is the basis for exemption of civil servants under the Unemployment Insurance Act?

NATIONAL INCOME, PRODUCTION AND CONSUMPTION

Mr. JACKMAN:

1. What is the estimated excess of the amount of national income for 1942, (a) before taxation, (b) after taxation, over the estimated amount of available goods for civilian consumption?
2. What is the total estimated production of Canada for 1942?
3. What amount will be withdrawn as war production?
4. What amount will be available for civilian consumption?

Mr. GIBSON: Return tabled.

CANADIAN FORCES—TELETYPE MACHINES

Mr. FRASER (Peterborough West):

1. How many teletype machines are being used by the army, navy and air force?
2. How many teletype operators and how many teletype repair men are employed in the army, navy and air force?

CAPITAL ASSISTANCE TO INDUSTRY—NEW BRUNSWICK

Mr. O'BRIEN:

1. Are any grants by way of capital assistance made by any department other than the Department of Munitions and Supply?
2. If so, what departments?
3. How much has been granted by each such other department?
4. What is the amount of capital assistance so granted by each department to private industry in the province of New Brunswick?

CANADIAN FORCES—CATEGORY A, ORDNANCE AND ADMINISTRATION

Mr. FRASER (Peterborough West):

1. How many men in category A are in the ordnance branch of the army?
2. How many men in category A are in the administration branch of the air force?

NEW BRUNSWICK OIL DEPOSITS

Mr. O'BRIEN:

1. Has the federal government investigated the oil and/or shale oil deposits in New Brunswick in order to relieve oil and gasoline shortages?
2. If so, to what extent, what sections have been investigated and what reports have been received?
3. Have any monetary grants been given to the province or private enterprise for such investigations?
4. If not, are such considered?
5. If any report is available from any source, to what depths have test borings been made?

Mr. CRERAR: Return tabled.

MOTIONS FOR PAPERS

ADVERTISING SALE OF CANNED LOBSTER

Mr. FRASER (Peterborough West):

For a return showing the total cost of advertising the sale of canned lobster (1) in Canada; (2) in other countries, together with a statement showing the names of the advertising agencies through whom this advertising was placed and the total amount paid to each such agency.

LOBSTER CONTROL

Mr. FRASER (Peterborough West):

For a statement showing the names of all persons engaged in the work of lobster control during the past year and showing also the salary, allowances and travelling expenses received by such person, the duties in which each such person is engaged and the previous experience of each such person.

TUG "BALLY"

Mr. McGREGOR:

For a copy of all letters, telegrams, reports, charter-parties or any other documents in the possession of the government, dated since the 1st September, 1939, relating to the leasing of the tug *Bally* or to her operation or her subsequent release from service, and including any reports which were made on the condition of the said vessel.

TUG "PEGGY L"

Mr. McGREGOR:

For a copy of all letters, telegrams, reports, charter-parties or any other documents in the possession of the government, dated since 1st September, 1939, referring to the lease and operation of the tug *Peggy L.*

NATIONAL FILM BOARD

Mr. McGREGOR:

For a return showing the name, date of appointment, salary, manner of appointment, duties performed, travelling expenses incurred during the past year, previous occupation, in the case of each person employed directly, or indirectly, in the work of the national film board.

Mr. McGREGOR:

For a return showing the name, date of appointment, emolument, and ordinary occupation of each member of the national film board.

AIRCRAFT—CORRESPONDENCE WITH CURTISS-WRIGHT AEROPLANE AND MOTOR CORPORATION

Mr. HOMUTH (for Mr. Adamson) moved:

For a copy of all letters, telegrams and other documents exchanged between the Curtiss-Wright Aeroplane and Motor Corporation and the Director of Aircraft Supply, the War Supply Board and the Department of National Defence, during the years 1938, 1939 and 1940, offering to manufacture aeroplanes and aeroplane products in Canada; also a copy of memoranda submitted to the Director of Aircraft Supply during December, 1939, in connection with the subject.

Mr. HOWE: Mr. Speaker, the documents referred to in this motion are in my opinion privileged. They refer to an investigation made within the department as to certain aspects of this production. Nothing came of it, and no good purpose would be served by bringing down the correspondence. Communications between officers of the department are privileged in any event.

Mr. HANSON (York-Sunbury): It is a little late for the minister to be taking that attitude with respect to this motion. May I call his attention and that of the house to the fact that on May 22, 1940, this house unanimously passed this same motion, and the following motion, in identically the same words, without exception and without reservation, and the house ordered the production of these documents. They were not brought down, which is contempt of parliament.

Mr. HOWE: Mr. Speaker—

Mr. HANSON (York-Sunbury): I am not through yet. Surely I have the right to make my statement. I say that, not merely an utter refusal, but disobedience of an order of this house by any department for two years is contempt of parliament.

Mr. MACKENZIE (Vancouver Centre): No, no.

Mr. HANSON (York-Sunbury): My language may be a little strong, but I say that on the face of it, it is contempt of parliament. I entirely disagree with the reasoning of the Minister of Munitions and Supply (Mr. Howe). There is nothing in this motion about interdepartmental correspondence, but there is a request for copies of all letters, telegrams, and other memoranda between the corporation and the Director of Aircraft Supply. These cannot be considered, in relation to public business, as privileged communications. I do submit to this house that we should and must have this information.

The same is true with respect to the following motion, No. 11 on the order paper, which also was passed as an order of this house on May 22, 1940, and to my surprise I find that the return to this order has never been brought down.

This sort of thing should cease. By no stretch of the imagination could the documents asked for be construed to be privileged documents or interdepartmental documents, although that principle has been carried quite a long way in this house in recent days. These two motions call for correspondence between corporations and government departments and this house has the right to that information and to have copies of the correspondence brought down.

Mr. HOWE: My hon. friend has been in the house longer than I, and he should know the rules of the house better than I do, so just why he needs to exercise his forensic abilities on this question I am not sure. As I understand it, orders of the house for the production of documents are subject to the reservation that the documents be not privileged documents or such that it would be against the public interest to bring them down.

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

Mr. HOWE: I have examined the files, and I take the ground that these are not documents which should be produced in the house.

Mr. HANSON (York-Sunbury): The rule does not go to anything like the extent the minister has stated—absolutely not. If it were so, this parliament might just as well fold up so far as the production of correspondence is concerned. I am not prepared to take that position; I do not believe the country wants me to take that position, and I do not think the minister himself ought to take it.

Mr. COLDWELL: I want to support the leader of the opposition (Mr. Hanson) in this matter. It has been said too frequently in this house that the production of documents or other information is not in the public interest. If it is not in the public interest to place these documents publicly before the house because of some matters contained in them, then, it seems to me, they should go to a committee of this house and be examined. It is intolerable that documents relating to the public business of this parliament should not be produced to some responsible committee or to the membership of this house. I warmly support the leader of the opposition in his

protest. Too many questions asked here are being answered, "Not in the public interest".

In regard to this particular motion, I notice that the minister—and I am glad he did—changed his ground, admitting that this correspondence is not privileged in the sense that it is correspondence between departments of the government; because by no stretch of the imagination can the Curtiss-Wright Aeroplane and Motor Corporation be regarded as a department of the government, and I hope that the government has not become a department of the Curtiss-Wright Aeroplane and Motor Corporation. I cannot, therefore, see the force of that argument. I believe there should be some method by which such documents could be placed before a committee of this house if for some specific reason it is not in the public interest that they be tabled here. Documents relating to contracts between a corporation and the government ought surely to be subject to some supervision by parliament.

Mr. HOWE: I do not wish to prolong the discussion, but may I point out that no contract arose out of this correspondence. I reviewed this morning the correspondence with the Curtiss-Wright company. It deals with some matters relating to licence and the price of services. We did not purchase either the right to manufacture the motors or the licence; and it seemed to me quite obvious that to lay on the table the business of the Curtiss-Wright company, which never was consummated, would not be in the public interest.

Mr. HOMUTH: Mr. Speaker—

Mr. HOWE: Where do you come in?

Mr. SPEAKER: Dropped.

Mr. HOMUTH: No, it is not dropped. I want to protest against the answer of the minister. The very fact that these deals were not consummated is what brought about this question, because we want to know why they were not consummated or why something was not done about them.

Mr. HANSON (York-Sunbury): There was the offer of war service which was not accepted by the government. Why?

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion?

The house divided on the motion, which was negatived on the following division:

YEAS

Messrs:

Black (Cumberland)
Black (Yukon)
Blackmore
Bruce
Cardiff
Casselman (Grenville-Dundas)
Castleden
Coldwell
Douglas (Weyburn)
Esling
Fair
Fraser (Peterborough West)
Gillis
Graydon
Green
Hansell
Hanson (York-Sunbury)
Hatfield
Hazen
Homuth
Jackman
Kuhl
McGregor
MacInnis
MacKinnon (Kootenay East)
MacNicol
Neill
Nicholson
O'Brien
Quelch
Roy
Senn
Stirling
Stokes—34.

NAYS

Messrs:

Bercovitch
Bertrand (Prescott)
Bertrand (Terrebonne)
Blair
Breithaupt
Clark
Cleaver
Corman
Crerar
Cruickshank
Dechene
Donnelly
Dubois
Dubuc
Durocher
Emmerson
Evans
Fauteux
Fournier (Hull)
Fulford
Furniss
Gardiner
Gibson
Gingues
Gladstone
Golding
Goulet
Graham
Grant
Healy
Henderson
Hill
Howden
Howe
Hurtubise
Ilsley
Isnor
King, Mackenzie
Laflamme
Leduc
Leger
McCann
McCuaig
McCubbin
McCulloch
MacDiarmid
Macdonald (Brantford City)
McGarry
McGeer
McGibbon
McIlraith
Mackenzie (Vancouver Centre)
MacKinnon (Edmonton West)
McLarty
MacLean (Cape Breton North-Victoria)
McLean (Simcoe East)
Matthews
Mayhew
Michaud
Mills
Mitchell
Mulock
Nixon
O'Neill
Power
Purdy
Ralston
Rennie
Ross (Calgary East)
Ross (Middlesex East)
Ryan
St. Laurent
Sanderson
Soper
Taylor
Telford
Thauvette
Thorson
Turgeon
Veniot—80.

AIRCRAFT—CORRESPONDENCE WITH UNITED AIRCRAFT CORPORATION AND SUBSIDIARIES

Mr. ADAMSON:

For a copy of all correspondence, letters, telegrams and other documents exchanged between officials of the United Aircraft Corporation or any of its subsidiaries in Canada, more particularly the Canadian Pratt and Whitney, and officials of the National Defence Department and the War Supply Board, during 1938 and 1939, in regard to the manufacture of aeroplanes aerial motors and other aeroplane products in Canada by the said companies.

Mr. HOWE: The same remarks apply to this motion.

Mr. HANSON (York-Sunbury): What remarks?

Mr. HOWE: Let me proceed, if you please. The same remarks apply to this as to the former motion. A large part of the correspondence relates to business that has not been consummated and also to certain business that was consummated, which latter is a proper subject of investigation for the war expenditures committee. The war expenditures committee have full authority to investigate any expenditures for war purposes, but the correspondence in question is not such as can in the public interest be brought down in the house.

Mr. HANSON (York-Sunbury): I wish to register the same dissent. Which set of reasons is applicable to the minister's position on this motion? He shifted his ground not less than three times in connection with the last. I have no desire to prolong the discussion or to hold up the house, but the very closing sentence of the minister's statement is an admission that there are at all events certain documents that should be brought down. If the government is going to take the position it has taken, it must assume the responsibility.

Mr. HOMUTH: On division.

Mr. SPEAKER: Dropped, on division.

VOCATIONAL TRAINING

MOTION TO SET UP SPECIAL COMMITTEE TO CONSIDER BILL

Hon. HUMPHREY MITCHELL (Minister of Labour) moved:

That a special committee consisting of Messrs. Bruce, Donnelly, Edwards, Fraser (Peterborough West), Lafontaine, Leger, McCulloch, Marier, Martin, Mitchell, Noseworthy, O'Brien, Reid, Shaw and Winkler be appointed to consider a bill intituled: "An act to assist in the carrying on and coordination of vocational training" and that the said committee be empowered to send for persons, papers and records and to report from time to time.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, I suggest to the minister and the leader of the government that this motion is at least premature. If hon. gentlemen will turn to page 17 of the order paper it will be seen under order No. 8 that this measure has only reached the resolution stage preceding the introduction of the bill. To set up this committee, or to consider the notice of motion to set up such a committee, before the bill is actually before the house, is most unheard of. I do believe there is no precedent for it in the history of this parliament.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Perhaps my hon. friend did not hear, but when the motion was called I said "stand".

Mr. HANSON (York-Sunbury): Somebody called "stand", but the minister in charge indicated that he wished to proceed.

Mr. MACKENZIE (Vancouver Centre): On a point of order I should like to inform my hon. friend that during this very session we passed a resolution setting up a special committee on land settlement, while the measure itself was still in the resolution stage.

Mr. HANSON (York-Sunbury): I know that. That is a double reason why we should not go on with this motion to-day. There have been more things done in the name of expediency in this house under this government than in the whole of our previous history since confederation.

Mr. SPEAKER: Do I understand that the motion is to stand?

Mr. MITCHELL: Stand.

Mr. MACKENZIE KING: With regard to the question of setting up a committee to which a bill may be referred, I believe it is quite in accordance with the rules of the house that a committee should be set up at any time; then the existence of the committee makes it possible, once a bill is passed a certain stage, to have the bill referred to the committee at once.

Mr. HANSON (York-Sunbury): It is usually done after second reading.

Mr. MACKENZIE KING: That would be the case with some bills, but it might be

done in the resolution stage, or at any time when the bill is before the house. The purpose of appointing a committee is to have something referred to it, and it really facilitates matters in the end to have a committee in existence, in a position to immediately receive any measure that may be referred to it.

Mr. HANSON (York-Sunbury): To me that seems to be putting the cart before the horse. Suppose the bill does not receive second reading?

Mr. CRERAR: Then it will not go to any committee.

Mr. HANSON (York-Sunbury): Then why have the committee? I am just looking at it from a logical point of view, though I do not suppose it makes very much difference one way or the other.

Motion stands.

VICHY REPRESENTATION

INQUIRY AS TO PRESENT POSITION FOLLOWING RECENT DEVELOPMENTS

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): I should like to ask the Prime Minister what is the position of Canada with relation to the Vichy government, in view of recent developments.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I may say to my hon. friend that we have been in communication with the government of the United States and the government of Great Britain with respect to recent developments at Vichy, with a view to considering, in the light of opinions expressed to us, the course it would be most advisable to adopt with respect to the continued presence here of the French minister. I have not thus far received all the information which would enable me definitely to reply to my hon. friend's question, but I assure him that the matter is being considered in the light of what will prove of greatest service to all the governments I have mentioned.

THE PLEBISCITE

ARRANGEMENTS TO PERMIT VOTING BY MEMBERS AWAY FROM HOME

On the orders of the day:

Mr. KARL K. HOMUTH (Waterloo South): During an earlier discussion this afternoon the leader of the social credit group asked the Prime Minister a question, to which no reply was made. Might I ask the Prime Minister now if some arrangement cannot be made whereby those hon. members who are unable to get home for the plebiscite vote may be permitted to vote in the city of Ottawa, in view of the fact that they have really established residence here?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I understand that the Secretary of State has been going into the matter, and I believe he intended informing the house to-morrow that arrangements would be made to have a polling booth established somewhere near the front entrance of this building.

Hon. N. A. McLARTY (Secretary of State): I think perhaps I might add one word to that. At the moment the matter is purely tentative, but we are endeavouring to work out some arrangement that will facilitate voting by members of this and the other house.

Mr. ROBERT FAIR (Battle River): I was going to suggest that it might be interesting if we could have a recorded vote right here, to indicate how hon. members will vote on this very interesting question.

BEEF

INQUIRY AS TO ACTION BEING TAKEN TO RELIEVE SHORTAGE

On the orders of the day:

Mr. G. K. FRASER (Peterborough West): I should like to direct a question to the Minister of Agriculture, arising out of the shortage of beef in the butcher shops throughout Canada. Will the minister tell the house what is being done by his department to relieve that shortage?

Hon. J. G. GARDINER (Minister of Agriculture): The matter is under consideration, and possibly I will be in a position to make a statement in a day or two.

WAR RISK INSURANCE

PROVISION FOR COMPENSATION FOR WAR DAMAGE TO PROPERTY

On the order:

Second reading of Bill No. 56, An act to make provision with respect to insurance of property against war risks and the payment of compensation for war damage.—The Minister of Finance.

Hon. R. B. HANSON (Leader of the Opposition): In the communication which I

received this morning from a member of the ministry this order was given as No. 3 on the list. I assumed that we would go on first with the notice of motion in the name of the Minister of Labour, which has been referred to, and then with order No. 4, concerning the reinstatement in civil employment of individuals who enlist for service, which has been on the order paper for a long time. I may tell the Prime Minister that I have had a great deal of difficulty in studying Bill No. 56, which of course is of a very technical character. I understand it is to be sent to the banking and commerce committee, where of course it will receive intensive study; but I should prefer that we do not proceed with this business to-day, unless there is some reason that has not as yet been indicated. It will be recalled that this was one of the matters to which the Minister of Finance referred when he said it was desirable that they should be advanced a stage before the Easter recess, because of certain specific reasons he had then in mind. But I did not know it would be coming on to-day, and I suggest that if possible it would be advisable to adhere to the programme which was intimated to me.

Hon. J. L. ILSLEY (Minister of Finance): It is quite all right to let it stand for the moment, but could I have it understood that it will be proceeded with promptly? I should not like it to stand for a number of days, because it is rather urgent that we get ahead with it. Mr. Leonard, who was of great assistance in the drafting of the bill, is coming here to-night; and if we could go on with it to-morrow or the next day it would be very much better than if the matter were to stand further. It has stood for a long time now, and I made a statement on it before the Easter recess in order that hon. members might become familiar with the matter, and also more particularly so that the public would understand what the government had in view. Now I should like to get it to the banking and commerce committee at the earliest possible moment.

Mr. HANSON (York-Sunbury): Well, perhaps we can take it up to-morrow.

Order stands.

CANADIAN ARMED FORCES

REINSTATEMENT IN CIVIL EMPLOYMENT OF PERSONS WHO ENLIST IN HIS MAJESTY'S FORCES—REFERENCE TO CANTEEN FUNDS COMMITTEE

On the order:

House again in committee of the whole on Bill No. 5, an act to provide for the reinstatement in civil employment of individuals who enlist for service in His Majesty's forces or who perform essential war employment.—The Minister of Labour.

Hon. HUMPHREY MITCHELL (Minister of Labour): I desire to move:

That the order referring Bill No. 5 to the committee of the whole be discharged, and that the said bill be referred to the special committee set up to deal with the disposition of canteen funds.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, before this motion passes I suggest that in justice to hon. members who took part in the discussion on previous occasions when the bill was before the house we should have some explanation from the minister with respect to the present motion. I have not before me the dates on which the bill was debated, but it is my recollection that it was the subject of a long discussion. Various aspects of the bill were considered, and many constructive suggestions were made to members of the ministry having charge of the measure. A considerable amount of redrafting was to be done to meet the suggestions made.

During the recess a number of discharged men came to see me, and I was forced to tell them that this legislation and the order in council it follows date back only to July 1, 1941, thereby leaving out a substantial number of discharged ex-service men. Before the motion passes I suggest the minister should give the house a statement of reasons for the present move, and he should explain the import of the motion. Is it to take away free discussion on the floor of the house?

Hon. HUMPHREY MITCHELL (Minister of Labour): The leader of the opposition (Mr. Hanson) will recollect that many suggestions were made, and notes respecting those suggestions were taken by the government. There was the suggestion that the matter should be referred to some committee. In view of that suggestion the government felt that the discussion would be expedited if the matter were sent to a committee on which returned soldiers were serving. When the subject returns to the house there will be no objection to the freest discussion hon. members may think necessary or expedient.

Mr. GREEN: I take it there will be several amendments to the bill as it was presented to the house.

Mr. MITCHELL: Yes.

Mr. GREEN: Many hon. members who are not on the special committee to which it is

being referred took part in the discussion on the bill. Under these circumstances would it not be well for the government within the next day or so to provide each member with a copy of the bill as it is to be amended, so that they may know what is proposed?

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health): Mr. Speaker, I am surprised to hear any opposition to the resolution of my colleague.

Mr. GREEN: I was not opposing it.

Mr. MACKENZIE (Vancouver Centre): I know that; but I thought the leader of the opposition was inclined to oppose it.

Mr. HANSON (York-Sunbury): I wanted an explanation.

Mr. MACKENZIE (Vancouver Centre): If hon. members will read the debate which took place in committee of the whole before the recess he will find that the request was practically unanimous, from every party, to have this particular measure referred to a special committee of the house. One reason for proceeding in this way is to meet the request of hon. members opposite.

The other reason is that for years past a practice has grown up in the house of referring to a special committee all matters affecting ex-service men. All the amendments suggested in the debate can be considered carefully by the very able committee already set up to deal with the question of canteen funds. That committee in due course can make its report to the house, and the matter could then be further considered. Surely that is a fair suggestion, and one which will expedite the progress of the measure and the proceedings of the house.

As was mentioned by the Minister of Labour, and without any specific allocation as to personnel, the committee is composed exclusively of ex-service men of the great war and members serving in the present one.

Mr. CASSELMAN: No.

Mr. MACKENZIE (Vancouver Centre): There was one exception; I do not know how it happened, and I have taken steps to have it corrected. It was the fault of the whips, no doubt.

Mr. CASSELMAN: No.

Mr. MACKENZIE (Vancouver Centre): Surely men who served in the great war and who are serving in the present one can give this measure the very best consideration. They will have the benefit of the debate which took place on two or three occasions in committee of the whole house.

Mr. GREEN: Is the government in a position to state what amendments are proposed?

Mr. MACKENZIE (Vancouver Centre): That will come up before the committee.

Mr. MacINNIS: I am not objecting to referring this bill to a committee. When it was before the house it appeared to be very unsatisfactory, and it was quite apparent that the matter should be referred to a committee. It seems strange, however, that it should be referred to the committee appointed to investigate canteen funds rather than to the reconstruction committee. It is true that returned men are serving on the canteen funds committee, but this measure has to do with after-war rehabilitation and reconstruction, and in my opinion it should be referred to the committee set up for that purpose. If we are to deal with matters of reconstruction and rehabilitation in a piecemeal manner, obviously there will be no order or coordination in our reconstruction programme.

Mr. MITCHELL: I see no objection to its going to either committee.

Mr. MacNICOL: Why is it going to the canteen committee?

Mr. MITCHELL: The members on the canteen committee are men returned from the last war, or engaged in this one. I see no objection to dividing the work. This matter more or less stands on its own feet. Personally I can see no objection to using both committees, so long as the hon. members doing the work have some knowledge of the conditions confronting returned soldiers, and particularly the conditions which confronted them after the last war.

Mr. HANSON (York-Sunbury): My understanding is that this order is to be discharged and the bill is to go to a special committee. In this instance it is to be sent to the canteen fund committee, although it would seem logical to send it to the committee on rehabilitation. I do not believe however that there will be much difficulty about that, nor do I think that one committee would not be as satisfactory as the other. It is my understanding that the bill was last before the house on March 9. It received second reading and was considered in committee of the whole. A certain number of sections were passed and others were allowed to stand. I have no great objection to the course indicated

by the minister, so long as there is an understanding that there will be an opportunity to discuss the report of the committee.

There is one aspect of the matter however to which I suggest the minister should give careful attention. I refer to the suggestion already made that the proposed amendments should be printed and distributed to members of the house who have taken a substantial interest in the matter. It seems to me I had some correspondence with one of the ministers respecting proposed amendments, and I concurred in most of them. We all want to do a job here to the best of our ability limited though it is. Having now understood the position, I am not going to oppose this motion.

Motion agreed to.

VOCATIONAL TRAINING

FINANCIAL ASSISTANCE AGREEMENTS WITH PROVINCES—ADVISORY COUNCIL

Hon. HUMPHREY MITCHELL (Minister of Labour) moved that the house go into committee to consider the following resolution:

That it is expedient to bring in a measure to provide for the promotion of vocational training projects, the entering into financial assistance agreements with the provinces in connection therewith, the appointment of a vocational training advisory council and of such officers, clerks and other employees necessary for the administration of the act.

Hon. R. B. HANSON (Leader of the Opposition): As this is somewhat of a new matter, I suggest that before you leave the chair, Mr. Speaker, the minister at least should outline to the house what the government's proposals are.

Mr. MACKENZIE (Vancouver Centre): According to a previous decision of the present year, that cannot be done.

Mr. HANSON (York-Sunbury): Perhaps that is so, but I do not recall the decision to which the minister is referring. It does seem to me that we ought to know the government's policy with regard to this important matter at some early stage before the resolution passes. Perhaps the minister will do this in committee.

Mr. MITCHELL: In committee.

Mr. HANSON (York-Sunbury): That will be good enough.

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

Mr. COLDWELL: I did not quite hear what the leader of the opposition (Mr. Hanson) suggested just now, but I understand it has been suggested that it is not possible to make a statement on this resolution. The resolution is important and I think we should be given some understanding of what is involved.

Mr. MACKENZIE (Vancouver Centre): I referred to a previous ruling of Mr. Speaker to the effect that the merits or demerits of a bill cannot be discussed on the motion to go into committee. Of course all kinds of questions can be asked in committee, and with the indulgence of the chairman and of the committee, the minister could make a full statement on the merits.

Mr. HANSON (York-Sunbury): What I suggested was that on making this substantive motion, the Minister of Labour should make a general statement of the government's policy. I cannot understand any other procedure being followed that would be logical.

Mr. MacINNIS: Do I understand that we cannot discuss the principle of the resolution on the motion that Mr. Speaker do leave the chair? It has always been the custom here to do that, and I am greatly surprised to learn that a decision otherwise was made this year. If we cannot discuss the matter, what is the sense in making the motion?

Mr. MACKENZIE (Vancouver Centre): Discuss it now.

Mr. MacINNIS: The Speaker has left the chair.

Mr. HANSON (York-Sunbury): It should be done before the Speaker leaves the chair.

Mr. STIRLING: I rise to a point of order and a question of privilege. Apparently a new doctrine has been accepted in this house that the first stage of debate on a resolution should be ruled out. In years past tremendous debates have taken place on resolutions when they were first presented to the house by Mr. Speaker. For us to be told that Mr. Speaker should leave the chair so that the house may go into committee for this reason or that, or to have some profound statement, or for some other reason, seems to me to be entirely different from what we have been accustomed to in this house. I can remember when the Minister of Pensions and National Health (Mr. Mackenzie) sat on this side of the house and the very skies shook with the debates as to the logic or illogic of the position taken by the government of the day in connection with certain resolutions. Because Canada is at war this opposition has kindly consented again and again to forego its right so as to facilitate the business of the

house. Now we are actually told that some impediment stands in the way of discussion on the first stage of a resolution. Surely that is not right.

The ACTING CHAIRMAN (Mr. Fournier, Hull): At this stage of the proceedings there is a definite resolution before the chair and it is now open for study and discussion. I do not think that what has been discussed up to now is relevant to the resolution; it should have been brought up while Mr. Speaker was in the chair. The chairman has no authority at this stage to decide as to what should have taken place before the house resolved itself into committee. At this stage discussion is open to all members, and I understand there is to be a statement by the minister concerning the principle of the resolution.

Mr. HANSON (York-Sunbury): On the point of order, Mr. Chairman, perhaps at this stage of the proceedings you are technically right, but my colleague has been trying to voice a matter of privilege and protest against the suggestion that on the resolution stage, while the Speaker is still in the chair, we cannot discuss the principle of the resolution. If that is the ruling of this house, let us get it changed at the earliest possible moment. I have great respect for Mr. Speaker, but if he has made an ill-considered decision on that point, let us get to work at once and revise the decision. I have been here quite a long time and I have seen many of these money resolutions brought in. I have never even heard it suggested that you could not discuss the principle of the proposals underlying a government motion, especially when it was a money bill. Let us retrace our steps if it is necessary to do so in order that a hard fought for privilege may not be taken away from the people's representatives. There is a great deal underlying this whole matter, much more than applies just to this resolution now before the house.

Mr. COLDWELL (Rosetown Biggar): Was such a ruling ever made?

Mr. HANSON (York-Sunbury): I do not recall that it was, but I do not like to question the veracity of anyone because I do not have it under my hand. I should be astonished if there was such a ruling; if there was, I do not understand how it would have escaped me. I know that things sometimes get by me, but if I let that get by me I shall not forgive myself very soon.

Mr. MacINNIS: I think the Minister of Pensions and National Health was quite in error about the ruling. As a matter of fact, the ruling was the exact opposite to what the minister said. The point was raised by the Prime Minister on February 22 and the Speaker gave his ruling after the dinner recess, to be found on page 800 of *Hansard*. He said:

> The next question is that raised by the Prime Minister (Mr. Mackenzie King) who quoted standing order 60 and submitted that the resolution before the house is not debatable. With this standing order, however, must be read standing order 38, which provides, *inter alia*:
>
> "(1) The following motions are debatable:
>
> Every motion
>
> (a) standing on the order of proceedings for the day."
>
> The resolution is on the order of proceedings for the day. I would point out that standing order 60 was passed in 1867, while standing order 38 was passed on March 22, 1927. In other words, standing order 38 is remedial to standing order 60, and I must conclude that standing order 38 must rule, and decide that the resolution before the house is debatable.

This resolution is similar in character. We are told it is not debatable now.

Mr. MACKENZIE (Vancouver Centre): I think the hon. member for Vancouver East (Mr. MacInnis) will see that the ruling he has referred to bears out the construction I have placed upon it. The construction of Mr. Speaker was that whereas you could debate the principle of a resolution, you could not debate the merits or demerits or the details of a measure until you reach the measure.

Mr. MacINNIS: Can you read that into Mr. Speaker's statement?

The ACTING CHAIRMAN (Mr. Fournier, Hull): I cannot see the usefulness of this discussion. We are now in committee of the whole on the resolution. The matter now being discussed should have been brought up while Mr. Speaker was in the chair.

Mr. HANSON (York-Sunbury): I did bring it up, but hon. gentlemen opposite would not listen to me.

The ACTING CHAIRMAN (Mr. Fournier, Hull): This point should have been raised before the motion that Mr. Speaker leave the chair was put and carried. I would ask hon. members now to proceed.

Mr. MacINNIS: The last words which the Speaker used on that occasion were:

> In my judgment the debate should be general, with no reference to details, all of which can be discussed in committee, and on the bill which follows the resolution.

But the principle of the resolution is subject to debate at this time. There are no clauses before us, and consequently the debate must be general. It cannot be in detail because there are no details to discuss.

Mr. MACKENZIE (Vancouver Centre): I do not believe there is any difference between my hon. friend and myself. If he will read the preceding paragraph he will find that the Speaker said:

> The debate, therefore, must be directed to the negative of that motion, that the resolution should not be submitted to the committee of the whole, for, as I have poined out, no amendment at this stage can be in order.

The motion being that the resolution should be submitted to the committee of the whole and the negative that it should not be, Mr. Speaker says that the debate must therefore be directed to the negative of the motion, that the resolution should not be submitted to committee of the whole.

Mr. MacINNIS: In my judgment, and I believe in the judgment of the Speaker, the debate should be general, with no reference to the details; for, as he says, all these details can be discussed in committee and on the bill which follows the resolution. If we cannot discuss the principle of the resolution, what in the world can we discuss on going into committee?

Mr. CRERAR: I hesitate to project myself into this discussion, but I believe there is some misunderstanding. The point taken by the leader of the opposition and by the member for Vancouver East is not disputed on this side of the house.

Mr. HANSON (York-Sunbury): Then I misunderstood.

Mr. CRERAR: Let me proceed. The resolution before us reads:

> That it is expedient to bring in a measure to provide for the promotion of vocational training projects, the entering into financial assistance agreements with the provinces in connection therewith, the appointment of a vocational training advisory council and of such officers, clerks and other employees necessary for the administration of this act.

If there had been any differences of opinion in the house on the principle of this measure, then I would say certainly that the principle should have been the subject of debate with Mr. Speaker in the chair. The practice has developed in this house of perhaps too much discussion of details on many resolutions, and that is the practice to which exception was taken on the occasion referred to by the hon. member for Vancouver East. But as I understand it, no exception is taken to the principle of this resolution. While it would have been quite proper to discuss the resolution with Mr. Speaker in the chair, business is expedited, in view of the fact that there is general acceptance of the principle, by going into committee upon it where it can be discussed in more detail. That discussion would have to take place in any event. I can assure the leader of the opposition and other hon. members on both sides of the house as well that the last thing the government would think of doing would be to take away any of the privileges of discussion of hon. members on the principle of a resolution. I hasten to give hon. members that assurance. But as no exception is taken to the general principle of this resolution I see no reason why the minister in charge should not proceed to make his statement now. Then we can have a general discussion.

Mr. COLDWELL: How can we possibly know what the principle of the bill is if the minister does not make his statement when we are about to deal with the principle?

Mr. CRERAR: I quite agree, but my hon. friend should have raised that point when the motion was made, before the house resolved itself into committee of the whole.

Mr. HANSON (York-Sunbury): That brings us back to where we started. When this item was called the minister rose and read rather hurriedly a long resolution which I had never seen before, not having been favoured with a copy of it.

Mr. MITCHELL: That was the other resolution.

Mr. HANSON (York-Sunbury): Perhaps I am wrong. I take that back. When this item was called I thought that was the proper time for the minister to make his statement to the house of the principles upon which the government proposed to proceed, and I invited him to do so immediately. For no reason that I can see at all, except to be very technical, the Minister of Pensions and National Health said that that would be out of order, and I allowed myself to be dissuaded. If the minister who is leading the house wants to regularize this thing, he can move that the committee rise, report progress and ask leave to sit again this day, and then begin *de novo* and have the minister make his statement with the Speaker in the chair. When we understand what the government's proposals are, debate may ensue upon them. I do not say that it will. But to say that because we allowed the motion to pass without any debate we therefore approved the principle is just too thin for anything. I am all in favour of vocational training, but I want to know what the government's proposals are at their initiation. That is when the minister's statement should have been made, ruling or no ruling.

Mr. CRERAR: The motion was made in the regular way to refer the resolution to committee of the whole and was adopted by the house. We are now in committee of the whole, and I do not think we should reverse our procedure. There can be no objection that I can see to the minister in charge of the legislation going ahead and giving the explanation he would have given with Mr. Speaker in the chair. The objection should have been raised on the motion to go into committee. But to reverse our procedure now —I am not sure of the steps that would have to be taken—

Mr. HANSON (York-Sunbury): It is no trouble at all to do that.

Mr. CRERAR: We are in committee and we cannot get out of it.

Mr. HANSON (York-Sunbury): You can move that the committee rise, report progress and ask leave to sit again this day.

Mr. CRERAR: But we cannot debate the principle of the resolution once it has been sent to a committee. We cannot send it back to the house to have the principle discussed.

Mr. HANSON (York-Sunbury): The house can rescind anything it has done. As a matter of fact, the whole thing was railroaded through before the house knew what was going on.

Mr. CRERAR: I take decided objection to that reflection on the house by the leader of the opposition. It was not railroaded through, and there was no desire to railroad it through. There is not going to be any lack of opportunity of discussion, and I cannot see anything that is sacrificed by letting the minister make his statement now in committee.

Mr. MacNICOL: Would it be in order for him to make it now?

Mr. CRERAR: Quite in order.

Mr. MacNICOL: He would be more in order if the Speaker were in the chair.

Mr. CRERAR: If it were a resolution upon which there was wide divergence of opinion, and there was definite opposition to the principle, I think the objection raised would be pertinent. But there is no such divergence of opinion, and I repeat that there was no railroading of the resolution into committee of the whole house. It was open to any hon. member to object to the passing of the resolution to put the house into committee of the whole to consider it. It never occurred to me that any objection would be taken, and so far as establishing any precedent is concerned, I say here and now that no precedent is established. I can recall occasions in the past when the same thing has been done. The house is not sacrificing any of its privileges or its rights, as the leader of the opposition suggested in the remarks he made a little while ago.

Mr. COLDWELL: I am satisfied if no precedent is established. The matter was dealt with so quickly; the leader of the opposition spoke in a low voice and was replied to in a low voice, and I did not hear what was said. But I did hear the minister of pensions make a statement and say that this was not the place, and then I rose to ask what was going on. But if it is understood that no precedent is established—

Mr. CRERAR: None whatever.

Mr. COLDWELL: —and that the minister of pensions may be said to have given us information which we are not to regard as being authentic and correct, as far as we are concerned I am willing to let the matter go.

Mr. HANSON (York-Sunbury): But not to happen again.

Mr. NEILL: I am pleased to see that at last the opposition has awakened to the rapid disintegration of the privileges of private members on this side of the house. It has been going on for years, but they do not appear to have caught on to this until just now. I have been wondering when they would draw the line. They have drawn it on what is perhaps a comparatively minor matter which might be got around in a way that I will suggest. Last November we sat here for eight days and debated something with the distinct understanding and instructions that we were not to do anything. we were not to propose anything. This session I saw a lady member, whose constituency I have forgotten, bluffed out of her right just as cold-bloodedly as I have ever seen anything done. A year ago we spent a whole day debating something. It was a very intricate bill, quite a proper subject of debate. At ten minutes to six the minister who was then leading the house got up and complained that we were interfering with the progress of the war and he wanted the said bill to go to the senate which had been waiting all day for it, although the senate did not sit until eight o'clock that evening. This sort of thing has been going on all the time, and sooner or later it has got to come to a showdown. The practice has been pursued gradually, bit by bit, little by little, of taking away our privileges. The privilege of moving resolutions has been taken away from us, and we dare not protest at all, or somebody points the finger of scorn

at us and says that we are trying to hold up the prosecution of the war. In regard to all proposals similar to the one we are now discussing, ministers have crept into the way of saying, "Don't hold up the progress of the war; let the bill go to committee, where we can explain it very much better", and when we get into committee the chairman—quite properly—enforces the rules, which say that in committee we can only discuss the bill section by section, and we cannot discuss the principle of the bill. That is the sort of thing which has been going on all the time. The hon. gentleman who at this moment is leading the house (Mr. Crerar), speaking with his proverbial air of innocence, says that he would not do anything nor think of doing anything to interfere with our privileges. The fact is, however, that we as private members have been doing nothing but lose our privileges for months and years.

We are in committee now, as the chairman says, and the point has been raised by an hon. member that we cannot now revert to the second reading. I suggest that we go on in committee and that we now ask the minister to make the statement which he should have made originally, upon the understanding that we have defended and defined our rights, and that this will not occur agian.

Mr. BLACK (Yukon): The matter is now before the committee of the whole house. As I see it, there is no doubt that the motion to refer that resolution to the committee could have been debated, under standing order 50, referring to a motion to refer a bill to the committee of the whole. According to citation 427:

> This motion is not debatable under S.O. 38 unless it be an order of the day.

This is an order of the day, and it is therefore debatable. But the house allowed the matter to go through without debate, and if the government is willing to let the matter be discussed in committee I cannot see any object in having the chairman report progress, followed by another motion that the resolution be referred to the committee of the whole house.

Mr. BOUCHER: While that may be so, and we may get the information in the manner which has been suggested, the fact is, as the acting leader of the government has stated to the house this afternoon, that when the resolution is brought in, the principle should be discussed. That is quite clear. Then, he says, this resolution having been brought in, the principle not having been discussed, we, being in committee of the whole, can do now what we should have done then. How can a person discuss the principle of a bill before that principle has been enunciated to the house? It is impossible, and, in the interests of every individual member, I say that if there is a way of reverting to the point at which the motion to go into committee was made and passed—erroneously, I submit, because of the false position taken by the Minister of Pensions and National Health, leading hon. members to believe that we could not discuss it then—I believe that the house should be big enough to undo its error.

Consider, for example, the situation where a bill is brought in to establish a bird sanctuary. What does the house know about the principle of the bill until the minister states how and where he wants to establish the sanctuary and what sort of sanctuary he wants to establish? Would it not be preposterous to require this house to pass a resolution with the mere title of a bill before them, before they know anything about what it contains or what its principles are? I do not agree that parliament, even in these days of strain, should be expected to discuss bills of this kind before they know anything about them. I contend, in the interests of the private member, that if there is any possible way of reverting to the resolution stage we should now revert to it, if only to keep the record clear and to maintain the rights of the private member which have been established and recognized in this house.

Mr. MacNICOL: I want to support the suggestion made a few moments ago by the leader of the opposition, that the government permit the committee to rise and report progress and ask leave to sit again, and that the motion to go into committee be debated, and that the minister give an outline of what his proposals are. I was very much surprised to see how quickly the motion passed that Mr. Speaker leave the chair. I had intended to say something on this subject, but apparently discussion will not be allowed in the committee except on the clauses as they are put forward. Therefore I recommend that the suggestion made by the leader of the opposition a few moments ago be acceded to by the government.

Mr. MITCHELL: If there is no objection, I will proceed with my statement. I regret very much that these technicalities have arisen. Hon. members may rest assured that I would have been quite willing to make a statement before the resolution reached committee. I think the most important thing is to get on with the work, and as a precedent

is not established—as recognized by the hon. member for Rosetown-Biggar—I suppose no ill effect will have resulted.

The bill to be based upon the resolution is really a continuance or extension of the Youth Training Act which was sponsored by the late Minister of Labour, the Hon. Norman Rogers, and which set in motion the youth training plan of that day. From its inception until 1941, three hundred thousand persons have received training under that legislation. The act expired on March 31 of this year. The intent of the new bill is not only to maintain that system of training in which the provinces and the municipalities cooperate to the fullest extent, but also to extend its scope so as to make provision for a number of additional training schemes. The war emergency training programme must be carried on. It is fair to say that the groundwork laid by the youth training plan made possible the quick and extended war emergency training programme that exists at the present time. It might fairly be said of the late Minister of Labour that he planned better than he knew, with the result that at the outbreak of the war we had perfect cooperation between the federal government and the provincial governments and municipalities in order to set in motion an enormously extended programme that made possible the training of men and women for war industries as they exist to-day.

Mr. MacNICOL: Was that before the war?

Mr. MITCHELL: I am referring to 1937.

Mr. MacNICOL: At that time there existed an unemployment condition which we have not got to-day.

Mr. MITCHELL: But we laid the foundation of a training programme, and had it not been for what was done prior to the war, as those of us know who have had experience in launching programmes of this kind, it would have taken very much longer to set in motion the war emergency programme which has assisted so greatly in manning the war industries of the country. Moveover, it has rendered very considerable assistance to the Royal Canadian Air Force, the navy, and the armed forces.

The purpose of the bill is so that the cooperation with the provinces and municipalities shall be carried on and largely extended as the need arises, with the inevitable expansion of war industry. It will provide training facilities for such unemployed workers as may require training under the terms of the Unemployment Insurance Act. That act provides for the training of unemployed workers and it is the intention that the machinery set up thereunder, and the training facilities, shall be made use of. That responsibility will be assumed for the unemployment insurance commission. Provision will also be made for vocational training for persons discharged from the armed forces in the present war, and in the post-war period the foundation will be laid and provision will be made for the training of returned men as they come back from overseas—that is, those who require training. In the last war, I may say frankly, a magnificent job was done without any previous experience in the training of men returning from overseas. I have a vivid recollection of having a number of trainees working under me at that time, and at the conclusion of training they all found employment with the firm with which I was working.

The framework of the bill allows of projects being undertaken either directly by the dominion or to be carried on by agreement with the provinces. At the present time, in some instances, the cost of the training programme is shared fifty-fifty by the federal government and the provinces, and in other instances the cost of equipment is shared on an equal basis. In still other instances the cost is paid wholly by the dominion. In connection with preliminary training for the Royal Canadian Air Force, the navy and the army, the whole cost is borne by the government.

No specific sum will be mentioned in the bill because of the uncertainties of the situation and the conditions that confront us. Estimates will have to be introduced every year for the purpose of carrying out training under the bill. As I have pointed out, inasmuch as training for the army, the air force and the navy is primarily the responsibility of the dominion, that is assumed in toto by the dominion. I think a great deal of credit is due to the provinces and the municipalities for the assistance rendered the dominion not only prior to the outbreak of war but since then. They have placed at the disposal of the government technical schools which in some cases have been operating on a twenty-four hour basis, and they have also provided teachers and teaching staffs. I need hardly tell hon. members that the dominion had not the facilities for creating immediately an organization of this kind. We have had that decentralization which in the final analysis is sometimes the best form of government when it is closest to the people.

Mr. BLACKMORE: Hear, hear.

Mr. MITCHELL: May I say to the hon. member for Lethbridge (Mr. Blackmore) that the contribution made by his province to the

war emergency training programme has been a grand one, the equal of any other in the dominion.

Mr. BLACKMORE: It will always be that way.

Mr. MITCHELL: I think I have covered in brief the basis of the act. The committee can rest assured that after the bill goes to the special committee, if there are any suggestions which hon. members desire to make, provided they are sound from the point of view of the government, such suggestions will receive every consideration when we are dealing with this most important problem.

Mr. GREEN: Does it cover training both for men in the forces and those in industries, as well as post-war training?

Mr. MITCHELL: Yes.

Mr. GREEN: It covers all training?

Mr. MITCHELL: Yes.

Mr. MacNICOL: I will not oppose the objective which the minister has in mind, but I must say I am a little at sea as to the method. The minister referred to the bill introduced a few years ago by one of his predecessors, the late Hon. Norman Rogers. I supported the bill at that time, but that bill was predicated on a great unemployment condition that prevailed then, and it was for the purpose, as the minister has pointed out, of training young men in vocations that would fit them to take their place in producing munitions or any other equipment that would be required either in peace or in war. That however was a time of depression. Now, apart from one remark which the minister made with regard to the purpose of the bill, to the effect that it would take care of those now returning, I do not see what else it will do. With that part of the bill I would be in hearty accord, because there are a great number of young men now returning from overseas, who, before they enlisted, were wholly untrained, not having had the opportunity to train for anything, having lived their youth in a period of unemployment. If therefore the bill does cover those young men coming back I am all for it.

But we have now, under the Department of National Defence—I am not sure whether I have the right department—fine schools at London, Galt and Hamilton. I have been in all of them. In these schools young men are being trained to do all the necessary work in connection with aeroplanes, engines and machines of one kind or another. I should like to know if this bill will have anything to do with these schools that are now operating, apparently under the Minister of National Defence (Mr. Ralston). At London there are perhaps a thousand young men who are being well trained. I was greatly impressed by that school being operated by the Department of National Defence in training young men for work in the army in connection with machines. This bill will not cover that work, because it is under the Department of National Defence. The same would apply to the Galt school, which is well operated, and also to the Hamilton school. So I am wondering just what is the scope of this bill, apart from providing for the young men who are now returning from overseas, who did not have training.

Mr. MITCHELL: I would point out that the Galt school is what is called a pre-enlistment school for the air force. Between April 1 and December 31 there were enlisted in the pre-enlistment classes for the air force some 10,113 men. They receive the preliminary training, the ground work, which my hon. friend understands as well as I do. In connection with the army and navy there have been 15,343 individuals enrolled in the various pre-enlistment schools in the several provinces.

Mr. MacNICOL: In London they are already enlisted.

Mr. MITCHELL: That is different; I am talking about pre-enlistment training.

Mr. MacNICOL: And in Hamilton they are already enlisted.

Mr. MITCHELL: In addition, some 4,200 have been trained for other vocations in the pre-enlistment training schools; in the main that is before they reach the age of enlistment.

Mr. HANSON (York-Sunbury): What is the age limit in connection with pre-enlistment? I have in mind that under the government's policy with respect to man-power, as announced by the Prime Minister in this house and to some extent elaborated by the Minister of Labour himself, nobody dares hire one of these men. In other words, the government, instead of taking the bull by the horns and making a direct approach toward getting men in the army, are resorting to the worst back-door methods this country has ever witnessed in order to drive men into the army for compulsory service. Last week a woman, whose husband was ill, came to see me. She had a son eighteen years of age, who was the only support of her family, and he was being refused employment in New Brunswick under the provisions of the government's man-power policy. I have heard of some of the worst cases on record of men

now in the army, enlisted for home service, who cannot get a furlough to go home and see their families unless they will sign up for overseas service. The whole thing is so disgraceful as to call for an explanation on the part of the minister. We had the words of the Prime Minister in announcing his man-power policy, establishing the indirect route toward military service. Never was there a more cowardly statement of policy in this House of Commons than that statement of man-power policy *qua* the war effort of this country. It was an absolute refusal to meet the situation by the direct route and a plain statement, after one analysed it, of the indirect approach in order to do something which the government had not the backbone to do directly.

That is the situation in a nutshell; yet the minister says this measure is to take young men in and give them vocational training. The minister knows that under the policy of his government these young men cannot get vocational training unless they enlist for overseas service. That may not be according to the letter of the law, but that is the spirit of the policy of the government.

Mr. MACKENZIE (Vancouver Centre): I rise to a point of order, Mr. Chairman.

Mr. HANSON (York-Sunbury): Oh, I thought we would have some mention of some technicality.

Mr. MACKENZIE (Vancouver Centre): The leader of the opposition a few moments ago, in referring to the Prime Minister's statement, said it was a cowardly statement. I refer you, sir, to page 97 of Beauchesne, citation 298, in which that is described as an unparliamentary term, and it should be withdrawn.

Mr. HANSON (York-Sunbury): If that statement is too harsh I shall withdraw it and use something else. Pusillanimous is a good word; you could use either one, but the public understand what is going on to-day. The public are now beginning to understand the effect of the government's policy with respect to this question of man-power. Then, in connection with vocational training, how many men will get vocational training under this proposed measure unless they sign up for overseas service? I put that question to the minister; he knows.

Mr. MITCHELL: I do not know.

Mr. HANSON (York-Sunbury): He knows in the bottom of his heart that none of them will get vocational training if they are fit to go into the army and have arrived at that stage. In other words, the young men of this country have been told, "Enlist for overseas service or you starve. You cannot get a job and you will not get vocational training."

I am not objecting to the principle of vocational training; I am going to have something more to say about that in a moment. I want to know what the minister means by his statement in connection with the setting up of a vocational training advisory council. What are to be the functions of that council? Who are to compose it? I think he should give us that information. Are they to be a new set of paid public servants in the country? We have the spectacle of the Department of Finance, I think it is, sending Mr. McGregor, the trust buster, all over this country hiring young lawyers here, there and everywhere, paying them $4,000 a year to become public prosecutors in connection with the price control policy. Parliament never authorized that. Did we think we were going to have an army of young lawyers, who ought to be in the army themselves, going round prosecuting farmers, perhaps, because they sold maple syrup at a little more than the price level fixed by the board?

Mr. ILSLEY: If I may ask a question, does the hon. gentleman think the maximum price regulation order should not be enforced?

Mr. HANSON (York-Sunbury): No, and I did not say anything of the sort. But who gave Mr. McGregor authority to go to Montreal and appoint a young lawyer at a salary of $4,000? Who gave him authority to go to Brockville and appoint another young lawyer at a salary of $4,000, to act as public prosecutor? Parliament knows nothing about it.

Mr. ILSLEY: Just a moment; those questions can be answered. The young lawyers who were appointed at less than $5,000 a year were appointed by the civil service commission pursuant to an order in council which was passed establishing the price ceiling policy, and that order in council was passed legally under the War Measures Act. I can assure my hon. friend that everything that has been done has been authorized and carried out under legislation. Some of it may have been done under the War Measures Act, but that is what the War Measures Act is for. I would ask my hon. friend not to make these sneering statements discrediting a great policy unless he goes more fully into it than he has by these collateral attacks. It is all very well to make these attacks during the discussion of a measure such as this, when his statements are not at all in order. It is all very well for him to make these glancing

attacks against important policies. But I would ask him just to leave the discussion of this price ceiling policy to the proper time. It can be debated and will be debated fully in this house. In the meantime I implore him not to make attacks of that kind.

Mr. HANSON (York-Sunbury): I was not attacking the policy.

Mr. ILSLEY: But you are destroying the policy.

Mr. HANSON (York-Sunbury): Oh no, I am not destroying the policy. But if you do not look out, the policy will destroy itself.

Mr. ILSLEY: Well, there you are again.

Mr. HANSON (York-Sunbury): I think hon. members have been most restrained in discussing this question, as I know I have. There have been injustices and inequalities perpetrated under the plea that we must avoid inflation, and we have refrained from advocating anything that would do harm to the objective. We have had a hit-or-miss, hit-and-run, trial-and-error system in regard to this matter. That is what it has been. We had the spectacle of the head of the price control board going to the country and telling the people—

Mr. ILSLEY: Mr. Chairman, on a point of order I suggest that the discussion of the price ceiling policy is not in order at this time.

Mr. HANSON (York-Sunbury): All right; I accept that. Technically and legally the minister is quite right, and I shall reserve anything further I have to say to another time. Probably I have said all I want to say at the moment, anyway.

I now invite the minister to tell us what he proposes to do with respect to young men for vocational training who are eligible for military enlistment. Are they to be given vocational training before they actually sign up, and will they be compelled to sign up for overseas service in the active army?

Mr. MITCHELL: I can say this, that I served in the last war. If I were physically fit, and of age, I think I would sign up; I would join the armed forces to-day. I would not run to a war industry, or anywhere else, to dodge my obligations. But I would say that under the government's policy there is nothing saying that these young men cannot get jobs in war industries. The only thing denied them is a job in a non-essential industry.

Mr. HANSON (York-Sunbury): Who is to say what that is?

[Mr. Ilsley.]

Mr. MITCHELL: That is generally understood.

Mr. MacINNIS: Can they get a job in a war industry, unless they have a certificate of rejection from some branch of the armed forces?

Mr. MITCHELL: I have not heard anything about that.

Mr. HANSON (York-Sunbury): No; they cannot get a job.

Mr. MacNICOL: I do not believe they can. A young man came to me only two or three days ago. He told me he was in his eighteenth year, and implored me to assist him in getting a position in a munitions plant. I said to him, "Why can you not get a position there? They are taking on a great many men." He replied that when he went to the plant he was told that unless he had a certificate from the military authorities permitting him to accept a position, he could not have a position.

Mr. MacINNIS: I quite agree with the point raised by the leader of the opposition (Mr. Hanson), in regard to the government's instituting conscription by the back-door. The condition applies particularly to men between the ages of seventeen and twenty-one, but it actually includes men between seventeen and forty-five. The order calling up men between the ages of twenty-one and thirty for service in Canada provides that they will not be called until they have reached their twenty-first birthday. This means that for service within Canada the government is not using compulsion until a man has reached his twenty-first birthday. But with respect to service for overseas, in an indirect way, by making it impossible for men between the ages of seventeen and twenty-one to gain employment, unless they have rejection certificates, the government is driving young men into the army before they have reached their twenty-first year.

This is a most despicable way of putting conscription into force—economic conscription, because that is what it is. The same applies to men up to the age of forty-five years. I believe all hon. members receive copies of advertisements sent out by the civil service commission. These advertisements point out that persons between the ages of seventeen and forty-five must have rejection slips; otherwise their applications would not be considered.

Mr. MITCHELL: That is a non-essential industry; that is the reason.

Mr. MacINNIS: It is not necessarily a non-essential industry. Surely the minister does not say the civil service is a non-essential industry?

Mr. MITCHELL: In many respects, yes.

Mr. MacINNIS: Is the Department of Labour a non-essential industry?

Mr. MITCHELL: In some respects, yes.

Mr. MacINNIS: Then, why don't you resign, and tell the government to disband it—that your work is useless; that it is non-essential?

Mr. MITCHELL: We would not be justified in taking from clerical positions men of seventeen years. Let us discuss this dispassionately. We would not be justified in taking these young men from the Department of Labour. There would be more criticism from that angle than from the other one.

Mr. MacINNIS: I am not raising the question only as it applies to the civil service. It is unlawful and a criminal offence to give those men employment in non-essential or restricted industries. In essential industries they must have certificates of rejection from the armed forces. That applies to the civil service, as well as to other employments. What is the minister going to train them for? If they are between the ages of seventeen and twenty-one, after receiving training they must have their certificates of rejection before they can get into an essential service—a war service.

Mr. MITCHELL: You are wrong there—wrong again. They can go into a war industry without exemption.

Mr. MacINNIS: They have to have a certificate of rejection.

Mr. MITCHELL: Oh, no.

Mr. CASSELMAN: Oh, yes.

Mr. HANSON (York-Sunbury): Referring to the point as to what is an essential industry, I understand the minister had ruled that the textile industry is not an essential industry within the meaning of the regulations. I point out to him that 80 per cent of the textile industry of Canada is engaged in manufacturing war goods. If it is not so engaged, it should be, and the non-essentials should be cut out. Assuming that 50 per cent of the production of the textile industry is on war orders, how can it be said that that industry is not essential? We have just come through a cold winter, and no one knows it better than the soldiers who have to live in the sheds. I should like to see the minister standing on the bleak reaches of Gander, Newfoundland, to see an Ontario regiment parading around there.

Mr. MITCHELL: I have stood there, with no shoes on.

Mr. HANSON (York-Sunbury): Then the minister knows exactly what I am talking about, because they are chilled to the bone, even with their greatcoats on, even as I was. Surely the textile industry, at least in part, is an essential war industry. Under this proposal, who is to judge what is or is not an essential war industry? Is it to be the Minister of Labour? Will it be the Minister of National War Services? Presumably it is to be the Minister of Labour.

Mr. MITCHELL: Yes, the Minister of Labour.

Mr. HANSON (York-Sunbury): That being so, the minister may declare that any industry is not an essential industry, and that therefore he can drive every young man in this country, by the back-door route, into enlistment for active service overseas. That is the absolute truth, and it is a shameful policy. If "cowardly" is not a parliamentary term, I shall use the expression "shameful policy"—and I believe I am stating the truth.

What has happened in connection with these young trainees? A young lad is about to attain the age of call. He is called by the Department of National War Services presided over by the minister from Selkirk. Before his call goes out, his name is given to the recruiting officer in the district in which he lives. Mark you, this is before he is called. This is another indirect approach on the part of the government to get recruits by the voluntary system—and we are told how wonderfully it is working! He gets a letter from the chief recruiting officer in the area telling him that he is going to be called, and by a more or less polite paragraph in the letter he is advised that he had better sign up for the active army. He may do so or he may not, but I want to tell the minister and the Minister of National Defence (Mr. Ralston) that so far as that recruiting officer is concerned, that young man is a marked man the minute he gets into the training centre.

I have evidence of the case of a young man in a county in Ontario who is in the non-active army. He has been approached repeatedly by the non-commissioned officers and asked to enlist for active service. He has applied for a furlough to go home to see his family, but this has been refused although his furlough is long past due. He has been

told that if he will sign on the dotted line, for active service, he can go home on a double furlough. What kind of recruiting system is that? That is a travesty on British justice.

Mr. MITCHELL: Does the hon. member think it is a travesty on British justice to defend your country?

Mr. HANSON (York-Sunbury): No, I do not; I am advocating something quite different. I am advocating a manly, straightforward system. I believe the Minister of Labour, if he were free, would advocate this also. In fact, within the week he probably has advocated it. How can he retain his self-respect and remain in a ministry that will adopt such methods? I do not just understand why methods such as those to which this administration has resorted should be adopted in order to get recruits for the active army. While the objective is excellent, I want to say that the methods resorted to in order to obtain men for the active army for service anywhere are everything that they should not be. The methods vary. One method will be adopted in one recruiting area, and another will be adopted in another area. Much will depend upon the resourcefulness of the recruiting officer or the degree to which he is hard-hearted or hard-boiled. Some of these fellows are pretty hard-boiled and they will resort to anything. I have heard of cases where physical pressure has been applied, where a man was blackened because he would not sign up. I have heard of one recruiting area where they got 100 per cent of the trainees to enlist for the active army by methods which I believe could not bear the light of day.

Let us get away from this sort of thing. I think this has been admitted on the floor of this house. Let us not be extreme in our language. But I want to say to the minister that there are many things that I believe he would not approve. I think we agree as to the objective, that is, to get men into the active army to defend this nation, and I shall talk about that to-night, but we ought to revise our methods.

Just a word or two about these young lawyers appointed by the war-time prices and trade board. The minister stated that these young lawyers were appointed by the civil service commission, but I want to tell him that that is not the case. I have never seen an advertisement by the civil service commission advertising any of these positions. Were the positions publicly advertised, or were they just hand-picked lawyers?

Mr. MACKENZIE (Vancouver Centre): They were hand-picked Tories, most of them.

[Mr. R. B. Hanson.]

Mr. McCANN: I think the leader of the opposition (Mr. Hanson) has referred to special and isolated cases in an attempt to prove that the wrong methods of recruiting have been resorted to with a view to getting men to sign up for overseas; that it is not done on a voluntary basis. During the recess I had occasion to visit several sections of my constituency, and in one small village I found there had been 150 voluntary enlistments for overseas service during the course of the present war compared with twenty-five enlistments from the same part of my constituency during the last war.

Mr. MacNICOL: One hundred and fifty enlistments from a small village?

Mr. McCANN: One hundred and fifty compared with twenty-five in the last war.

Mr. MacNICOL: It must be a pretty good sized village.

Mr. McCANN: It is a village of 1,500 people. I think that ratio of enlistments is highly creditable. Speaking more directly with reference to the vocational training, I can see where it can be used to great advantage in connection with men who have been rejected for military service. We must take into account the number of men who are physically unfit to be placed in category A1, either for service overseas or in our own country. The fact remains that we must be prepared to do something with men who cannot be placed in these categories. Last week I sat on an examination board examining voluntary recruits for the Lanark and Renfrew Scottish regiment. Of the number who came up that afternoon for examination exactly thirty-three and a third per cent were rejected on physical grounds. These men were given certificates to the effect that they were unfit for service, and on the strength of those certificates they could make application to certain industries for employment.

But what becomes of them if they have had no training or are not trained artisans? That is exactly where this vocational training could be used with excellent results. These men have done their bit by offering their services, although they may have known they were physically unfit and were likely to be rejected. It becomes the duty of the government to take these men and give them some training so that they can go into industry of some type or another. The men are doing this voluntarily in order that they may be put into the classification in which they belong. Having gone through the normal process of being examined and receiving certificates of physical rejection, they know where they belong. They

can either find employment or take up vocational training as supplied by the government. This resolution, and the bill which will come after it, are in keeping with the policy previously adopted by the government and carried out for a number of years. At this time that policy should be speeded up and augmented as quickly and as much as possible.

Mr. MACKENZIE (Vancouver Centre): The hon. gentleman has just raised another point which has not been touched upon in the debate this afternoon. During the past year the war emergency training programme has accorded the veterans of the present war and of the great war a preference in accepting candidates for training. Subsistence allowances have been paid to those selected for such training, and employment has been found for trainees in war industry. I am replying directly to the point raised by my hon. friend.

The war emergency training programme has developed from the youth training facilities, and is carrying on in conjunction with the provincial governments and in close association with educational bodies throughout the dominion. These arrangements in respect of vocational training have laid a useful foundation for cooperation between the youth training organization of the Department of Labour and the Department of Pensions and National Health in respect of vocational training of discharged men which will be very helpful, we hope, in the difficult period that lies ahead.

This committee will recall that last year the rehabilitation committee, in a comprehensive report to the parliamentary committee during the past session, filed a recommendation in respect of vocational training which goes far beyond the narrower view of vocational training established at the end of the last war. At that time vocational training facilities were restricted to those with pensionable disabilities who were unable, on account of disability, to resume their previous employment, and to minors. It is recognized, however, that many men now serving had little opportunity prior to enlistment to acquire a skill, and unfortunately many of them have not had the discipline or training of a job. The subcommittee on vocational training therefore recommended:

> That training should be given those who on the recommendation of competent vocational guidance officers are considered by age, aptitude and inclination as likely to benefit from such training.

This recommendation, together with the recommendation of the subcommittee on interrupted education suggesting that provision be made for resumption of interrupted education, and reports of other subcommittees, were given coherence in what is known as the post-discharge reestablishment order, passed on October 1, 1941.

The provision made for subsistence allowances in respect of vocational training is wide, and such allowances will be payable by the Department of Pensions and National Health. That department is now proceeding to establish a vocational training division with a competent and experienced director to carry on the work.

Mr. HANSON (York-Sunbury): To how far back in point of time is the last order in council effective? It does not go back to discharge earlier than July, 1941, does it?

Mr. MACKENZIE (Vancouver Centre): There were definite reasons for that. One of the main features of the order in council—there were about six definite and distinct benefits provided for by the order in council—was that it conferred upon those who had joined the forces the same benefits in regard to insured employment as were conferred upon civilians. Unemployment insurance came into effect on July 1, 1941, and for actuarial and other purposes it was necessary to provide that limitation, although very few cases were discharged before that date. There were special cases which required special treatment. I quite appreciate my hon. friend's point.

As I was saying, we are establishing a vocational training division within the department, which will have the following functions:

1. It will carry the responsibility of the Department of Pensions and National Health with respect to the training of special casualties such as amputees, the blind and others. These are our entire responsibility and their vocational training will be carried on by the Department of Pensions and National Health. That is the recommendation made to us by those who are most competent to make it, and it was endorsed, I think, by the committee of last year.

2. The department will endeavour to secure continuity in the various stages leading to the reestablishment of such special casualties. These various stages may include physiotherapy, occupational therapy, functional training, vocational guidance, and specialized vocational training for the seriously handicapped.

3. It will approve the selection of those who are to be authorized to resume, with public assistance, the education which was interrupted by their enlistment. It will also generally supervise the continuation of their

education, which will, of course, be actually received in the universities and institutions of higher learning.

Next, and this is important:

4. It will select and give vocational guidance to those physically fit discharged men who are to pass into the vocational training classes operated under the Department of Labour as envisaged by the vocational training coordination bill which is to follow the adoption of this resolution.

Mr. MacNICOL: Will young women in the service be included as well as young men?

Mr. MACKENZIE (Vancouver Centre): By a recent order in council all the privileges of the post-discharge order of October 1 were made applicable to women who have enlisted in the various forces.

Mr. MacNICOL: Does it say whether it is men or women?

Mr. MACKENZIE (Vancouver Centre): The order in council making the previous order applicable to women was of fairly recent date.

Mr. HAZEN: What does functional training embrace?

Mr. MACKENZIE (Vancouver Centre): I would not claim to be an expert on all the various aspects of it; but the intention of the department is to get experts in regard to special aptitudes and the best directional advice for each individual case based on the nature of the casualty, and, in the case of those who are discharged as fit, based upon their previous experience and to some extent upon their natural inclination and aptitudes.

The vocational training branch of the Department of Pensions and National Health will therefore be responsible for vocational guidance with respect to all ex-service men who may be considered eligible for further training courses. The Department of Pensions and National Health will also administer vocational training for the seriously handicapped.

It is proposed that the Department of Labour shall conduct the actual training of the physically fit men who are awarded training courses as a means of fitting them for civil life.

During the months that lie ahead steps will be taken to make a complete survey of the present facilities available for vocational training and to examine into methods of vocational guidance, aptitude testing, job analysis, types of training available, opportunities for training in industry, apprenticeship, and the transfer value of training and skills in the armed forces and the cousinship of such skills with civilian skills and training.

The purpose is to correlate the condition after discharge, if the man is fit, with his natural aptitude for a particular industry or for special vocational training, and if a special casualty, with special training within the jurisdiction of the department.

Mr. HANSON (York-Sunbury): Is there not grave danger there of duplication?

Mr. MACKENZIE (Vancouver Centre): I do not think so. The subject has been carefully studied by the committee on special casualties and the committee on vocational training, and what I have submitted is very largely the result of their recommendations to the government.

Mr. RALSTON: I understand that in my absence the leader of the opposition had something to say with regard to methods of recruiting. I did not know that that matter was related to this subject or would come up, or I would have remained in the house. Only a short time ago I arranged with my hon. friend that discussion of army matters would come on the discussion of the war appropriation bill, and I would have thought that that would be the time to bring up recruiting rather than when I did not happen to be in the house.

Mr. HANSON (York-Sunbury): It arose only incidentally, and not because the minister was not here.

Mr. RALSTON: But I understand that my hon. friend made a considerable point of it. I understand he had something to say with regard to methods of recruiting in training centres, and that he even intimated that he knew of a case or had had a case reported to him in which physical pressure had been used upon some individual to induce him to enlist.

I say for the benefit of the committee—I have not the orders under my hand because I did not expect this matter to come up to-day—that express orders have been given that no undue influence or improper pressure is to be used upon men in the training centres. I have no doubt that as the men are associating together men in the active army and men called up under the National Resources Mobilization Act, there will be inducements from the active men to the others to go active, just as there are inducements on the college campus from time to time to get a fellow to come into a particular college fraternity. One would expect that kind of thing to go on. But so far as improper pressure is concerned or any undue influence,

I want to say distinctly that it is directly against the most positive orders which have been issued.

The only case brought to my attention was brought by a colleague of mine. It was said that an officer had been present in a certain camp when some physical influence was being used. I myself sent to the training centre and had the officer brought to headquarters and dealt with by the adjutant-general. I found that the report was completely erroneous in so far as the use of physical pressure was concerned, but that this man had said something which was contemptuous towards the recruit, and was dealt with by the adjutant-general.

I invite my hon. friend or any other member of this committee, if he knows of any case of undue or improper influence in this connection, to bring it to my attention. I may say that I have known in evangelistic meetings of a good deal of pressure and much fervour being used to bring in converts; and I know also that in connection with recruiting meetings, quite apart from training centres, a great deal of emotional pressure is used. I would rather expect that, and I do not believe that anybody in this committee is finding fault with it. But so far as any physical pressure or violence or undue influence is concerned, that is absolutely against orders, and will be dealt with if cases are brought to my attention.

Mr. HANSON (York-Sunbury): I have no objection to the statement made by the minister. There have been cases, but I would not assume that the department would give legal authorization to such methods. A great deal depends upon the recruiting officer. The point to which I was speaking had reference to vocational training and government sponsorship of young men, and the methods to which the government have resorted—I call them "back-door methods"; the Prime Minister used the term "indirect methods"—of making it impossible, speaking generally, for any young man to get employment to-day if he is capable of going into the active army. I deprecate that sort of approach to military compulsion, and that is what we have in Canada to-day.

Mr. RALSTON: I am very much surprised to hear my hon. friend take objection to that. All he wants to do is to go one step further and make it positive.

Mr. HANSON (York-Sunbury): Would that not be more sincere?

Mr. RALSTON: I would think that this is an endeavour to put the round peg in the round hole and the square peg in the square hole. I would regard it as an attempt to make available for military service the man who is physically fit and of suitable age, when some other man can do his job in civilian life. I am astonished to hear my hon. friend take any objection to that method. It is the only way whereby you can allocate the man-power of this country. The man who is physically fit and of military age can either be doing a military job or be in civilian employment. The man who is not physically fit and is not of military age cannot do a military job, but he may do a civilian job; and the method to which my hon. friend refers is intended to provide that the older and less fit man is put into that civilian job, and the other man is left free to do the job which his neighbour cannot do. I do not think my hon. friend should take objection to that. I think it is part of any selective service system. To see to it that young men who are physically fit and of military age are not employed in non-essential industries is, I believe, a perfectly proper system. I would say the same thing with regard to the civil service. I notice on the order paper to-day a question on this subject. The hon. member who puts the question asks why the railways do not adopt the same method. I believe that is just a part of selective service—seeing to it that the man who can do the job is made available to do it; and I cannot concur in my hon. friend's criticism of that method.

Mr. THORSON: Furthermore, I think the matter might be put in another way. One of the essential purposes of any sound national selective service system is that as far as possible every person in the country, whether man or woman, shall work in that field of war activity where he or she can best promote the total war effort. Another purpose of any sound selective service system is to avoid wastage of man-power in comparatively non-essential industries, in the case of men who are physically fit for active service and of military age. The purpose of passing this order restricting the entry of certain persons into a number of occupations was, in the first place, to prevent a wastage of man-power. These occupations have a very large turnover; and when any person who is at present engaged in one of these occupations ceases to be employed therein, it is intended that that person's place shall be filled either by a woman or by a man above military age or unfit for military service. That in a broad way is national selective service. The various regulations which were discussed by the Prime Minister on March 24, indicate the attitude

of the government in this matter. There are two possible approaches to a national selective service system. One is to try to assess the individual qualifications of every man and woman in the country, and ticket them, and move them round from place to place. That task in itself would take an army of people who would be much better engaged in doing something else to promote the war effort. The other approach is a much more practical and realistic one. The government has announced its war programme; it has announced its programme for the armed forces and for munitions production, both programmes in terms of man-power requirements; the purpose of our national selective service system is to assist in meeting those requirements in a practical and realistic way, meeting situations as they arise by means of regulations, seeking also to anticipate by regulations situations which are likely to arise; in other words, meeting specific conditions by specific measures. I believe that is a much more practical and more realistic approach to the whole system of national selective service than the first approach would be. The order to which reference has been made is part of that system. It restricts the entry into a certain number of occupations of men who are of military age and physically fit for the armed forces. All the occupations are listed in the schedule. All are comparatively non-essential, or if they are essential they can be filled either by women or by older men or men unfit for military service. This is the kind of national selective service which every one has been urging, and this is a realistic and practical way of putting it into effect. The persons who are prevented from entering these occupations are not barred from entering essential war activities.

Mr. GREEN: Is that quite definite, because statements to the opposite effect were made earlier?

Mr. THORSON: Then, with regard to the question which was raised regarding the war employers—

Mr. MacINNIS: Aha! What is the definition of "war employers"?

Mr. THORSON: —if a war employer does not wish to employ a young man who is physically fit, and who is either likely to enlist or will be subject to call under the war service regulations, that is a matter in which he is interested from the point of view of continuity in his war production.

[Mr. Thorson.]

Mr. MacNICOL: But he cannot take such a young man into his employment.

Mr. THORSON: Oh, yes, he can. There is nothing to bar him from employing such a man, but if he is reluctant to do so, from the point of view of keeping his industry up to the maximum of production, that is something in which he and the country at large are deeply interested. There is again, if you like to describe it so, a situation developing whereby persons are being allocated either directly or indirectly to those theatres of activity where they can make the greatest contribution to the totality of the war effort and its maximum effectiveness. That, after all, is the important governing policy.

Mr. GREEN: Is there a government policy with regard to men between the ages of seventeen and forty-five going into war industry? As I read the order in council which has been under discussion, it applies only to non-war jobs. Apparently the government, with regard to war jobs, is leaving it all to the individual employer. Would it not be fair; is it not proper, that there should be a government policy? Either these men can go into war industry or they cannot. Why leave it to the individual employer? That is bound to mean great discrimination in different towns or in different industries in the same town. Surely the government should be in favour of one policy or the other. Why leave such an important question up in the air?

Mr. MITCHELL: I want to say frankly that I cannot get steamed up over an able-bodied, single man—

Mr. MacINNIS: Why don't you make that your policy?

Mr. MITCHELL: I am coming to it.

Mr. MacINNIS: Get steamed up the other way. Make it your policy.

Mr. MITCHELL: You have never been steamed up in your life, my boy. I can understand your stand.

Mr. MacINNIS: Get steamed up the proper way.

Mr. MITCHELL: If you had your way there would not be a House of Commons to-day.

Mr. MacINNIS: My hon. friend must withdraw that statement.

Mr. MITCHELL: I will withdraw it.

Some hon. MEMBERS: Order.

Mr. MacINNIS: Don't make any more remarks like that. We can make statements over here too.

Some hon. MEMBERS: Order.

Mr. MITCHELL: I think the policy is clear. These men can go into war industry. They cannot go into non-war industries without a permit. That is perfectly clear. When my hon. friend says for me to look out, he started it. He sneered at me.

Mr. COLDWELL: When a member rises and makes the statement that if somebody had his way there would be no House of Commons, it is time to interrupt.

Mr. MITCHELL: I did not.

An hon. MEMBER: Yes, you did.

Mr. MITCHELL: Oh, no, I did not say that.

Mr. COLDWELL: Yes, you did. It is exactly what you said.

Mr. MITCHELL: If I said it I regret it. It is not the interpretation I meant to put on my own words.

Mr. MacINNIS: I do not know what interpretation to put on your own words when you do not know yourself.

Mr. MITCHELL: I think the policy is clear. If I were an able-bodied young man I would be in the fighting forces. They are the aristocrats of their day. If it were not for these young men, there would not be any House of Commons. I think that is perfectly obvious. I took that position in the last war and I take it in this war. I do not know why I should waste any time over able-bodied men of military age, single men.

Mr. GREEN: The minister is saying in one breath that the policy of the government is that these men shall be able to go into war industry, and in the next breath he says that so far as he is concerned—and he is the man who has the administering of the order in council—these men have no right to go into war industry.

Mr. MITCHELL: I did not say that.

Mr. GREEN: That is what it amounts to.

Mr. MITCHELL: Oh, no.

Mr. GREEN: I suggest to the minister and to other members of the ministry that the house and the country are entitled to know what the government's policy is on this question. Let us know, and then let the employers comply with that policy. Do not have this business of the government having one policy and winking at the employer following another. We cannot expect to have a wholehearted war effort under such conditions. The country is entitled to better leadership than that.

Mr. MacINNIS: My good friend the Minister of National War Services (Mr. Thorson) put the case very nicely, as he always does, but it is no less economic conscription. Then my hon. friend the Minister of Labour (Mr. Mitchell), who is not so particular about putting things nicely, asked why he should lose any sleep over an able-bodied man who is not in one of the services. But the government that he represents, the government whose policies he has adopted, took the position that they would not by law compel any man to go into the armed services.

Mr. HANSON (York-Sunbury): By the direct route.

Mr. MacINNIS: But now they are putting him into the armed services through his stomach.

Mr. MITCHELL: I do not believe it.

Mr. THORSON: There are plenty of opportunities for these men.

Mr. MacINNIS: There are not. Dozens of young men have come to me and said that they could not get into any service that is non-essential or otherwise. This is not a condition that has arisen since the orders in council were passed; it has been going on for many months. This is what it amounts to. The poor man who has no one to keep him will starve or go into the armed forces. He will starve unless he already has a job. Economic conscription applies to him, but it does not apply to the young, physically fit man whose father can keep him, or whose father is in a position to keep him.

Mr. RALSTON: Are there many of those?

Mr. MacINNIS: I imagine that if my hon. friend had a son of that age it would apply to him.

Mr. RALSTON: I assure you it would not.

Mr. MacINNIS: It possibly would not, but the fact is there. I am not saying how many it applies to. I am telling my hon. friend that it is the government's policy at the present time to put the poor man into the armed forces through starvation, while the rich man's son is not affected. The government have not the courage to put another programme into effect.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. MacNICOL: I should like a little further information. I listened with interest to the remarks of the Minister of Pensions

and National Health, who seemed to have right at his finger-tips just what he wishes to achieve along these lines. But I am trying to find out whether this bill covers what the minister has in mind.

Mr. MACKENZIE (Vancouver Centre): Yes, definitely. As far as the physically fit discharged men are concerned, the machinery of administration will be under the Department of Labour. As far as special casualties are concerned, the machinery will be exclusively under the Department of Pensions and National Health, in which there is being set up a director of vocational training. He will deal with two things, in the first place the actual training and placement of special casualities, and in the second place the supervision of matters having to do with the guidance of those physically fit men who are placed in certain industries through the machinery administered by the Department of Labour.

Mr. MacNICOL: I agree with the objective the minister has in mind, but the resolution refers to a measure to provide for the promotion of vocational training projects, and it does not specify returned men only. When I first read it over I was of opinion that it was very much along the lines laid down by the Minister of Labour when he first outlined the proposal, at which time he followed more or less the proposals of his predecessor, the late Mr. Rogers. Am I to undersand now that the bill does not cover any but returned soldiers.

Mr. MACKENZIE (Vancouver Centre): The Department of Labour advises that preference for discharged men was embodied in the war emergency training programme regulations which became effective on January 1, 1941. Since that preference was instituted, until February 25, 1942, discharged men have been admitted to training forces to the number of 3,002. The Department of Labour further advises that the number admitted to training in the month of February of this year was 282 men, discharged during the present war. The Department of Pensions and National Health paid the training benefits to discharged men under the post-discharge order, to which I referred, passed on October 1, 1941, to 285 veterans during March, 1942, involving an expenditure of $11,802.06. That is under the terms of the post-discharge order, one of which benefits is this vocational training, and these figures indicate how that is progressing even though at the present time it is only in its very early stages.

Mr. MacNICOL: This afternoon a good deal was said about young men being trained under this programme, and it was stated that in order to enjoy these benefits they would be forced to enlist in the army. That has not been denied. The matter was dealt with by the hon. member for Vancouver South and the hon. member for Vancouver East; as a matter of fact hon. members from Vancouver seem to be in the thick of it to-night, between the Minister of Pensions and National Health and the two hon. members I have mentioned, who seem to understand the bill pretty well. Those two hon. members were under the impression that under the bill which will be founded on this resolution, in order to obtain these benefits young men would be forced to join the active forces, whether or not they wanted to do so. I should like some further information along that line. I have been wondering just how the bill will fit in with the present scheme sponsored by the manufacturers of aeroplanes. In the vicinity of Toronto, for instance, the aeroplane companies secure a great deal of their help, many of their men and, I presume, their women also, since now they have thousands of women working in their plants, through the central technical school, where they send them to take courses lasting several weeks or several months before they enter the plants. Will this vocational training scheme fit in with that scheme which is now in operation?

Mr. MITCHELL: Yes. That is already part of the scheme.

Mr. MacNICOL: And it is a very worthy part of it. The board of education in Toronto have been in communication with the minister for some time asking for assistance in order properly to equip the large central technical school on Harbord street, which requires a new building which they propose to erect in front of the present building, in order that they may be in a better position to train those who will be engaged in the production and operation of aeroplanes. Will the scheme fit in with the construction of that building, and will the department assist in the construction of that building?

Mr. MITCHELL: That matter was taken up with my predecessor and myself. The view expressed by the department was that we could not subsidize permanent buildings, because the building suggested would take perhaps eighteen months to construct, and there is ample space available of a temporary nature that could be put to use almost immediately. The provincial government was sounded out in this connection also, and that was why the representations of the city of Toronto were not looked upon in a kindly way by the federal government.

Mr. MacNICOL: The representations were not looked upon in a kindly way by this government but they were supported by the provincial government, who said they would cooperate. That, however, is something quite apart from this bill, and perhaps I should not have brought up the subject. Let me conclude with this. Was the statement made by the hon. member for Vancouver East and the hon. member for Vancouver South correct, that in order to obtain benefits under the bill to be founded on this resolution young men will be compelled to enlist in the active army?

Mr. MITCHELL: No.

Mr. HOMUTH: Could we clear up that point a little? We are told that those who attend these schools are not forced to enlist in the active army. They do enlist to this extent, that after they complete their training and pass the medical examination they are automatically in the army.

Mr. MITCHELL: That is so.

Mr. HOMUTH: Then actually they do enlist, but their enlistment depends entirely upon the result of their medical examination when they finish their training. So they are enlisted men. It may be that the department does not recognize them as enlisted men, but they are, and if they pass their medical examination they go into the active army automatically.

Mr. MITCHELL: I do not think that is altogether correct. We have what are called pre-enlistment classes, and also classes for enlisted men. For instance there are pre-enlistment classes at Galt and many other centres in connection with the air force. Some of those men go into the air force and some go into industry.

Mr. CHURCH: We have a motion to appoint a committee to consider a proposed bill to assist in the carrying on and coordination of vocational training. Parliament has not been in session for the last three weeks. Primary things should come first. The war is primary; the appointment of this committee is secondary. We do not know where we are to-day, so far as the war is concerned. Since parliament adjourned for the recess, we have suffered heavy losses on the seven seas, and the very fate of civilization has been at stake. How will the appointment of a committee advance this vocational problem? I have been in the house for many years, and I have failed to see how any committee has made progress on any public question, so far as section 91 of the British North America Act is concerned.

The minister is new to the department, and no doubt he is anxious to do certain things. But I can tell the committee that the country wants parliament, now that it is back here in Ottawa, to act and to get on with this war, and not just to talk about it. In my opinion the appointment of committees to consider these domestic questions should wait, and it is the function of this government to handle this question and not just deal in window-dressing.

As a former member of a school board I have had some experience in this matter. It will be recalled that the Laurier government appointed a commission to investigate technical education, and to give special attention to technical and vocational training as applied to secondary schools and trade and industry. A report made to the government of that day pointed out that it was the function of the federal parliament to take that action, because it controlled trade and commerce. We control finance, banks and banking and matters of that kind, and for that reason vocational and technical training is a function for which this parliament is solely responsible.

There can be no doubt that, after the war, vocational training will be of great importance, and especially since it is applied to soldiers on reestablishment in civil life. I believe, however, that sooner or later we shall have to consider education of this kind. The report dealing with vocational training, as a part of technical education, showed the necessity of parliament taking on this task here.

After the war the wreckage will be so great that there will be nothing to salvage. No one will want to be in industry, or connected with trade. With all the bureaucratic boards established by orders in council almost every day we meet, how can any businessman deal with vocational training in his business or aid it after the war in his industry. I fail to see how it can it be done.

What has been done in England? They have not appointed committees, as we have done. Over there the government has accepted the onus of responsibility. While I have sympathy with the present proposal in principle, may I point out that Toronto was a poineer in matters affecting vocational and technical training. Technical and vocational schools were established in that city. Every day between 10,000 and 12,000 day and night students attend those schools, and in the evenings between 7 o'clock and 10 o'clock students meet to study. All this is done at the city's expense. The government does not do a thing for those schools or give them any direct aid. Those technical schools in Toronto are doing a fine work in matters of vocational

training and war work, and yet the government will not grant one cent, although war industries seek their graduates eagerly. Federal power should assist this work by grants and other aids.

I hold in my hand some pictures showing the work in Toronto's technical central school in connection with acetylene welding. I believe the first technical school in Canada was established many years ago in Toronto. Students from those schools are going to the industries engaged in manufacturing munitions, and in carrying out other war work. The schools have applied to the minister's department to obtain a grant for a new wing to the central technical school, because some of the students are now working in an old garage on Bathurst street on war work. The main school building in which all forms of technical work are now carried on cost about $1,500,000 with plant and additions. They are doing war work, and because of that the board of education came to Ottawa asking that it be given a small grant for a new war wing for these enlisted war workers and students. But the government turned a deaf ear to that application.

As I see it, after the war the wreckage in industry will be so great that there will be nothing left to salvage, and no one will want to be in trade and commerce. What has been done in England? A bill known as the trade and commerce bill has been passed by both houses of parliament. That bill has reestablished in Great Britain certain pre-war trade practices. Because of that action industry and trade and commerce know where they stand. On the other hand, in Canada we have the cart before the horse. Win the war first, and then take up all these domestic questions.

On an earlier occasion, when this matter was under discussion I asked the minister what the policy of the government was. I asked questions regarding all these bureaucratic boards which have been established throughout the country, placing impossible barriers and artificial burdens on business. A certain businessman told me he has three or four clerks who do nothing but get information and file these returns.

What is the function of government? We have been refused information by the Minister of Finance (Mr. Ilsley) with respect to one board dealing with a feature of war work—the commodity price corporation. No doubt if this measure passes, some corporation or board will deal with vocational training, despite the fact that we have been refused information as to how this price corporation money has been spent, and the price paid. About a week ago the chairman of one of these boards gave an interview to a reporter on the Toronto *Globe and Mail* in which he gave detailed information the Minister of Finance had declined to give to parliament two weeks before.

I have no objection in principle to a committee on vocational training. Although nothing has been said about it yet here in the house, I have no doubt that, after the war, commercial aviation will accord a great opportunity for vocational training to a great degree and provide work, because I believe it will constitute one of our most important transportation facilities. At the present time, however, I believe this motion is purely academic, and nothing can be accomplished by it at this time. It is based entirely on winning the war. While I am in favour of the principle of the resolution, I believe the onus is on the government to carry on this soldier education programme in conjunction with the provinces and the various boards of education across Canada and secure real vocational training at cost and avoid duplication and waste by coordination now absent.

It is all moonshine to talk about planning after the war when at this very moment Britain is fighting for her very life and existence. We do not know where we shall be. We were beaten in January and February, on the Pacific and on the seven seas. It is all very well to say that we are enjoying a party truce, but at present it is very much one-sided. It may be that in some respects we are enjoying a party truce. However, I just came from one of the Toronto constituencies where certain gentlemen in one party have appeared and preached about this planning, and matters of that kind, in a purely socialistic way and do not observe the party truce to win the war. Let us deal with war problems first. It is all very well to talk about vocational training. I appreciate what it has done for the returned soldier, and I realize that after the last war it was most commendable, although very much delayed at the start. But at that time it was a non-partisan effort. In my opinion any action along this line in the future should be taken in conjunction with the provinces, and especially with the boards of education, to avoid overlapping and duplication, and federal power must aid post-war education.

The university of Toronto, through all her graduates, has been a pioneer in this matter. In my opinion the appointment of this committee will not do any good. The executive can do this work better. We must get on with the war, which is primary, and which is not secondary to these domestic questions.

While I am in sympathy with everything done for the soldiers along this line, I believe there has been too much playing with this question, and unless we give it more careful consideration we shall accomplish very little. This committee will be like the war expenditures committee, which found out practically nothing. The report of that committee has not even been discussed here, and the report of this committee will be too late for any action till after the war.

I have had some experience with these matters, and in my view we ought first to lay down future principles with respect to industry, trade and commerce, and particularly agriculture in Canada. We must decide whether industry is going, after the war, as it is now, to be placed under all these burdens and barriers in restraint of trade with which industry is now faced. Some of those regulations may be all right, but large portions of industry are affected by them all, and we know that many of the regulations will not help by one iota to win the war. We must first break the shackles of bureaucracy by which trade and commerce are bound now in Canada, hand and foot, before we shall be in a position to support vocational training in industry. We must break these shackles with which trade is now bound, hand and foot, by some such act as in England to restore pre-war trade practices.

There are legions of men sitting in offices who pass these regulations of price boards with respect to trade and industry, so that no man can conduct his business. The small, independent businessman is being driven out of business and cannot function or shift his industry to aid vocational training. All parties in the house have supported vocational training. At the close of the last war we were not properly prepared. In this matter of education we might very well give grants to the provinces and local school boards. Certainly before very long we shall have to go into education, on a very elaborate scale. Further, this bill must take care of these apprentices who have gone to the war, and place them back in their industries to continue on.

Labour and industry could be united; they are united. The contribution of labour has been most magnificent in this war as has that of industry and employers, and I do not think we would have been able to do what we have done had it not been for labour. Labour, agriculture and industry are united in a magnificent effort.

We should develop the resources of this country to their limit. In water-power, only 7,000,000 horse-power have been developed when we have 42,000,000 horse-power available. Next year Great Britain will face the greatest coal shortage in her history, and we may be suffering here while our natural resources in coal and substitutes are allowed to lie dormant. I believe we should first lay down the principle of where trade and commerce are to be to-day and to-morrow, and where they will be after the war, if industry will be enabled to support the policy of the government which they want to do when the war ends, and after the war all bureaucratic boards should go.

Mr. MacINNIS: Despite anything that was said this afternoon, I am supporting this resolution, and I believe it will receive general support from the whole committee. We find ourselves at the present time with a pressing work to do, that is, war production, and not enough trained workers to do it. I imagine the first purpose of this vocational training will be to fit men and women for war work. That is most important. It is proper that we should consider questions of this kind now. Not only shall we need it to-day; we shall need it equally when the war is over. As the Minister of Labour (Mr. Mitchell) said quite rightly this afternoon, it is in line with the work initiated by the late Norman Rogers when he was Minister of Labour. I do not know, and possibly I shall not know until the bill is brought down, what age ranges will be covered by this measure. Will it be restricted to young people?

Mr. MITCHELL: No limit.

Mr. MacINNIS: I am glad of that. In my opinion our aim should be to fit every man and woman in Canada for some job, and provide a job for every man and woman in Canada. We should not be satisfied with anything less than that.

Mr. HANSON (York-Sunbury): A chicken in every pot.

Mr. MacINNIS: Yes; two automobiles in every garage. That was promised at one time, but not necessarily here. There is only one way of getting a chicken in every pot and a car in every garage, that is by getting our men and women producing those things. They do not fall out of the skies. I was always a little suspicious of the story about the manna. The minister has said that there will be no age limit. Our aim should be to train every man and woman in Canada for work. When we fit people for work, not only are we making them capable of producing useful things, we are recreating them. To the extent that this measure will perform that function, I am certainly in support of it.

There is nothing that destroys everything that is worth-while in a man as quickly as unemployment and the feeling that he has no useful place in the community.

Mr. GREEN: To what extent are men and women over forty-five years of age being given vocational training at this time? There is a great need for the training of older men and women. That would be in line with the government's policy of restricting the entry into industry of men between the ages of seventeen and forty-five years. It does seem most important that the older men and women should be given this training. To what extent has that been done?

Mr. MITCHELL: I would point out to my hon. friend that I have been close to this war emergency training programme since its inception. I was one of those who helped to draft it. The emphasis has always been placed upon the training of older men. Those of us who thought we saw the development of this war were convinced that sooner or later young men would be drawn into the army, navy and air force and that there would be a shortage. At the moment I can tell my hon. friend that of those between the ages of thirty and thirty-nine years, there are 3,505 being trained; between the ages of forty and forty-nine, 1,915, and fifty years and over, 737. I met many manufacturers, as well as the manufacturers' association, and the emphasis was always placed on this point. We all appreciated that there was a spill-over from the depression to the war and that many young men were out of employment, but we felt that sooner or later the time would come when these younger men would have to go into the fighting forces, or at least would go into the fighting forces, and that then a demand would be created for the older men. I am convinced that we must consider the woman problem as soon as we possibly can. Personally I do not think we have scratched the surface of the man-power available in this country. A year from now the women of this country will be doing things they never dreamed of doing in the past.

Mr. GREEN: What steps are being taken to get these people into war work or into the training classes? Are you advertising that these courses are available?

Mr. MITCHELL: Oh, yes.

Mr. GREEN: For older men and women?

Mr. MITCHELL: It is well known through the employment services and other agencies established by the government.

[Mr. MacInnis.]

Mr. HANSON (York-Sunbury): This afternoon I asked the minister what I thought was a most pertinent question with regard to the council, but I do not think he got to the point of answering it. Is this to be a voluntary committee or are the members to be paid? What is to be the character of the committee? What will be its functions?

Mr. MITCHELL: The hon. member is referring to the advisory committee?

Mr. HANSON (York-Sunbury): Yes. I understand that there is a voluntary advisory committee in Toronto which is doing good work without any cost to the government. This resolution also contemplates the employment of such officers, clerks and other employees necessary for the administration of the act. Are they to be appointed by the civil service commission, by the minister or how?

Mr. MITCHELL: The clerks will be appointed by the civil service commission.

Mr. HANSON (York-Sunbury): Perhaps the minister could tell us what he has in mind with respect to the advisory council.

Mr. MITCHELL: My view is that in the broadest sense it should be composed of the people most concerned with this form of training.

Mr. HANSON (York-Sunbury): People who are interested.

Mr. MITCHELL: People who are interested. I think it should be voluntary except that those who come any distance should have their expenses paid.

Mr. HANSON (York-Sunbury): It will be a part-time affair?

Mr. FRASER (Peterborough West): What is the attendance at the present time at these vocational training classes and what was it a month ago? I understand that the attendance has dropped considerably because farmers' sons are not now allowed to attend the classes.

Mr. MITCHELL: I have no knowledge of that.

Mr. FRASER (Peterborough West): What is the difference in the figures?

Mr. MITCHELL: If there are any figures, I shall try to get them.

Mr. FRASER (Peterborough West): I know there is a definite drop because some of the vocational schools which previously ran all night are now going only to about four or five o'clock in the afternoon.

Mr. CASTLEDEN: Even though this proposal is about ten years late, I do not think we are going to oppose it in any way. Realizing for some years that a mechanized war has been approaching, Canada should have been awakened by self-preservation alone to the need of vocational training, and many of the boys who have been riding the boxcars across this dominion for the past number of years could have been much better employed in being trained in some skilled trade. Such vocational training has, I think, the support of everyone in this country. Has a survey been made of the number of vocational schools in the various provinces which could be utilized to-day or in the immediate future?

Mr. MITCHELL: I have been deeply interested in vocational training and technical education in Canada for the last thirty years. I recalled vividly, when the hon. member for Broadview was speaking this afternoon, the splendid pioneering work done by Toronto in technical education. A royal commission on technical education was set up by Sir Wilfrid Laurier, and labour men and other public-spirited citizens helped in establishing the foundation of the system of technical education in this country. I appreciate, of course, that in some provinces technical education is not as far advanced as in others, and what is proposed under this bill is an extension of the work already being done, the work that was set in motion, as I pointed out this afternoon, by the former Minister of Labour. He knew as I know, and as do hon. gentlemen, that until the fall of France we were engaged in what has been called a war of position and blockade. Rightly or wrongly, that was the high strategy of the allied governments at that time, and consequently there was not the demand for industrial expansion for armament purposes in this dominion or in north America generally that there was after the fall of France. I think it is only fair to say that under the policy, the foundation-stone of which was laid by the former Minister of Labour, tens of thousands of our young people have been trained and are now absorbed in the industrial structure of this country or have voluntarily joined the armed forces. This bill is simply a continuation of the act which expired on March 31. It is no latter-day thought, as my hon. friend seemed to suggest. I sat on the committee which drafted the war emergency training programme, and I think my hon. friend will agree with me that with a blank sheet of paper in front of you it is not the easiest thing in the world to draft a policy; you are more or less in the position of a composer who is writing a symphony. On paper he does not know just what it is going to sound like.

Mr. HANSON (York-Sunbury): He has it in his head. That is the trouble with our leaders—they do not have it up there.

Mr. MITCHELL: The composer may have it up there, but he does not know what it is going to sound like until it is played on the organ, and sometimes it does not sound so very good. So it is with drafting a policy, but I say frankly that this House of Commons and the government have done a remarkable job in vocational training.

Mr. MacNICOL: Vocational training has been good.

Mr. MITCHELL: Of course it has, and the government's war emergency training programme has greatly increased the strength of the industrial structure of this country. If our neighbours to the south—I say this in the kindliest spirit—make a similar contribution to the material side of the war effort to that which this dominion has been making for the last two and a half years, then the war is over—make no mistake about that—

Mr. HANSON (York-Sunbury): That is rather a large claim.

Mr. MITCHELL: —provided that our people measure up also to their responsibilities in a physical sense, because it is no use having the material things of war if you are afraid to use them.

Mr. HANSON (York-Sunbury): If you have not the man-power.

Mr. MITCHELL: I am convinced that the war is going to be won ultimately through the industrial structure and we on this north American continent are the only people who have mastered the technique of mass production. Prior to the outbreak of the war 75 per cent of the internal combustion engines manufactured throughout the world were manufactured in north America and when the industrial machine of this continent gets rolling, then look out—provided that human beings measure up to their responsibilities.

Mr. CASTLEDEN: I am pleased to hear the minister's statement, and I am glad to know that a survey has been made of the number of schools available for vocational training in the various provinces. How many hundreds of students can be absorbed in the vocational schools of this dominion?

Mr. MITCHELL: It has been estimated that 10,000 boys and girls leave high school every month in this country.

Mr. CASTLEDEN: Throughout this dominion, and particularly in the west, there are a large number of idle machine shops

which, if there had been vision on the government benches, would have been very busy working these days or training skilled mechanics for our war effort. It has been evident that this war is going to be won or lost on the industrial production line. According to a statement made by the Minister of Munitions and Supply, some eighteen hundred surveys have been made of our existing resources in machine shops, and the people of Canada are wondering why so many of these shops should be standing idle with good lathes and other machinery all in a condition to work. If these shops cannot be given war work, could they not be training men in the trades so urgently needed in our war effort? I hope the minister in the near future will give us a statement of the vocational training capacity available in the various provinces for students. The whole question of education in the larger field will have to be tackled in the near future, and if some of the facts in regard to education across this dominion were revealed I am sure they would startle many people in this country.

Resolution reported, read the second time and concurred in. Mr. Mitchell thereupon moved for leave to introduce Bill No. 64, to assist in the carrying on and coordination of vocational training.

VETERANS' LAND ACT

PROVISION FOR SETTLEMENT ON THE LAND OF VETERANS OF PRESENT WAR

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to make provision for the settlement on the land of veterans of the present war, to prescribe the terms of such settlement and to grant a measure of financial assistance to such settlers, and further for the appointment of a director, of officers and other employees in connection therewith.

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

Mr. MACKENZIE (Vancouver Centre): Mr. Chairman, I should like to make a statement to the committee in regard to the principles of the bill to be introduced provided this resolution is approved by the committee. The resolution precedes a bill to be known as the Veterans' Land Act. It is one of the measures resulting from the work on the committee on demobilization and rehabilitation and its several advisory committees and subcommittees. The bill to be introduced has three main purposes: first, to assist discharged members of the armed forces to establish themselves successfully in the farming industry in Canada; secondly, to ensure that the agricultural industry bears its share of the rehabilitation problem along with other phases of our industrial life; thirdly, to give ex-members of the forces returning to agricultural pursuits benefits comparable with those available for men entering other occupations.

In this last connection it should, perhaps, now be pointed out in the first place that discharged men entering insurable employment are credited with the time spent on military service since July 1, 1941, and the government of Canada—the people of Canada—pay the premiums; second, that employers are compelled to reinstate ex-members of the forces in their former positions; third, that discharged men who have no trade may be given vocational training and their families maintained by the state while they are undergoing such training; fourth, that young men whose education was interrupted may be supported while completing their educational course and their tuition fees may be paid by the state; fifth, that former civil servants have their positions and their security of superannuation preserved for them; and lastly, that discharged men who are temporarily incapacitated and also those who are capable of and awaiting work may be paid benefits or grants of $9 a week for single men and $13 a week for married men for a period up to fifty-two weeks.

It will be seen, therefore, that some similar measure of assistance for those who undertake farming is fully justified on the grounds of equity.

This bill differs in many vital respects from the Soldier Settlement Act adopted during the last war. These differences are based upon a study of the history of the former soldier settlement plan, which was admittedly by no means the success hoped for both by the country and by the ex-servicemen who went on the land under its provisions.

I come now to the terms of the Soldier Settlement Act.

Under the Soldier Settlement Act the country advanced $109,034,331 for the establishment of 24,793 soldier settlers and 224 Indian soldier settlers—just over 25,000 in all. The great bulk of the settlement, as hon. members are aware, took place in 1919 and 1920. Of the original number of settlers there remained on the land as at March 31, 1941, approximately one-third, namely 8,118

settlers. On March 31, 1941, the situation with regard to these approximately 25,000 settlers was as follows:

Remaining on their land	8,118
Paid off their loans	2,750
Sold out their equities	884

The remainder, 13,041, had abandoned the scheme either voluntarily or by notice.

On March 31, 1941, total recoveries from the original advances were $65,640,518. This includes payments made by civilian purchasers to whom foreclosed properties have been sold. The recoverable value of the outstanding loans is estimated at not more than $30,000,000, which would make a gross recovery of $95,640,518, as against an original capital investment of $109,034,331. These recoveries represent an estimated capital loss of $13,393,813, all interest payments actually made having been included in the $65,000,000 of recoveries already mentioned. The administrative cost from 1918 to March 31, 1941, stood at $25,910,495.

The primary reasons for this state of affairs are, I think, to be found in the following facts. When the operations were begun there was available no staff fully trained in settlement operations. Second, in the period when the bulk of the settlement took place, prices paid for land, chattels and building materials were influenced by war-time inflation. The depression beginning in 1931 brought about a serious deflation in these values. Third, all advances were repayable with interest at 5 per cent; consequently the settler was placed under a burden of debt, including land, live stock and equipment, which often represented 125 to 150 per cent the value of the land. In an effort to remedy these defects the following measures were taken: in the first place, the consolidation of loans; second, cancellation of interest charges for a certain period; third, revaluation of land; fourth, 30 per cent horizontal reduction in the debt in 1930; fifth, a bonus system, subject to the payment of taxes by the settler, whereby a credit of $2 was given for every $1 paid; and lastly, adjustment of contracts under the Farmers' Creditors Arrangement Act. These deductions totalled $47,518,215 as of March 31, 1941.

Other factors contributing to the high degree of failures may be mentioned as follows. Seventy per cent of the establishments took place under very difficult conditions in the prairie provinces. The difficulties encountered by all farmers in their communities arising from drought and market fluctuations were shared by the soldier settlers. All establishments were predicated upon the settler deriving his living and his main income from the land. Many could have been better assisted by considering the farm as merely a home, the main income of the family being derived from employment. In the new bill to be presented, the government has profited, I think, by the experience gained under the Soldier Settlement Act, and the major difficulties have been avoided.

I now come to the chief differences between the old act and the one to be introduced.

There are three vital differences between the present bill and the Soldier Settlement Act of the last war, as well as a number of minor differences. The three chief differences may be described as follows:

First, whereas the Soldier Settlement Act contemplated that settlers should give their full time to their farming ventures, the present bill is broad enough to assist men in taking up small holdings where the veteran will make his home and derive a substantial portion of his income from employment apart from his cultivation of the land.

Second, the benefits of this measure are confined to persons who were domiciled in Canada upon enlistment and who served in Canadian or imperial forces. The former act covered members of the forces of the allies. It is felt that since this act provides a subsidy by the dominion government, the benefits should not be extended to other than prewar residents of Canada unless there is a reciprocal arrangement.

The third and greatest difference is that no soldier settler under this bill will be encouraged or permitted to assume an uneconomic and unbearable burden of debt. This necessarily involves a direct grant by the state, which in some instances may represent almost 50 per cent of the total cost of the enterprise.

In broad outline, the proposed scheme contemplates that an applicant for assistance must satisfy the director in charge of administration not only that he wishes to engage in farming, but that he has the qualifications for that occupation. In this connection there is provision for training, at public expense if necessary. In order to ensure that the veteran shall have a personal stake in the success of his enterprise, it is an absolute condition of the bill that the veteran himself shall make a cash payment at the outset equal to 10 per cent of the cost of the land, improvements and building materials upon which a loan is to be issued. Under the old act there was authority to waive any csah contribution by the settler, and experience has clearly shown that this was a mistake.

A vital principle of this bill is recognition at the outset that the average veteran under typical conditions cannot be expected to provide a living for himself and his dependents and maintain the farm plant in working order and pay annual taxes, and in addition thereto meet the payments required, if his indebtedness is for practically the full cost of the land, improvements, live stock and farm equipment. This principle was not recognized in the original provisions of the Soldier Settlement Act, and failures under that act were largely due to the hopelessness of the debt structure, notwithstanding a series of remedial amendments.

The bill embodies the principle that the debt assumed by the veteran shall not exceed two-thirds of the cost of the land and buildings, or, if the maximum costs permitted by the bill are reached, the debt will not exceed 50 per cent of the cost of the whole enterprise, including stock and equipment. The state contribution, subject to specific performance by the settler, is a grant equal to one-third of the cost of the land and buildings, and a further grant of the cash cost of the stock and equipment furnished to the veteran. On a maximum basis the annual payment required from the settler is $144. This sum, in addition to his annual taxes, is believed to be such as the average veteran can successfully pay while providing a reasonable standard of living for himself and his family.

If justification be needed for the policy of making a grant, it is to be found in the following considerations.

In a country like Canada it is futile to say that land should not play an important part in the rehabilitation of ex-service men. Second, industries other than agriculture will be expected to absorb the majority of ex-service men, and other industries cannot be expected to meet the total problem. Third, the experience gained in the operation of the Soldier Settlement Act and similar projects in other countries shows that without such assistance the average veteran stands but a limited chance of establishing home ownership within his working lifetime. Fourth, following every former war in which Canada was engaged, there were valuable ungranted crown lands available for distribution among veterans. That situation no longer exists to-day so far as the federal government is concerned.

Under the relief settlement agreement with the provinces of Quebec, Manitoba and Alberta, more than 10,000 families have been assisted to settle on the land by means of an unrecoverable grant of $1,000 per family. In Manitoba the amount was $1,250 per family, and in Quebec the grant was increased to $2,000 per family. It is estimated that the cost of the grant made by the state in the average case under the proposed bill will be $1,360. Assistance is being made available to the ex-service man who wishes to become a lawyer, a doctor or a skilled workman, under provisions previously passed. It is felt that similar assistance should be given those who wish to become farmers.

Before proceeding to explain the chief provisions of the bill I think it is desirable to refer briefly to another important consideration. Under the Soldier Settlement Act of 1919, establishments were in the main predicated upon the soldier settler deriving his main income from the land upon which he was established. Similar provisions are contained in this bill, but it is sufficiently flexible to provide for a wide range of establishments involving the use of land. It is contemplated that establishments may be on a full-time farming programme or on small holdings where the veteran may derive his main income from employment apart from his holding.

With the brief statement that I have made of the vital principles of the bill, it may be desirable to explain its chief provisions in logical order. The desirabilty of such a measure, notwithstanding numerous failures which attended the Soldier Settlement Act, is strongly indicated by the expressed desire of substantial numbers of the members of the forces to engage in agricultural pursuits after the war. While our information about the intentions and desires of the members of the forces is not yet complete, sufficient information has been obtained to establish clearly that the number of men who wish to take up farming or to return to it will be very substantial. The demobilization committee of the government authorized a questionnaire to be addressed to all members of the forces with respect to their previous civil experience and training and their desires and ambitions for the future. The complete results of the questionnaire are not yet tabulated, so it is not possible as yet to indicate the precise number of men who have this desire. But a review of 200,000 of these forms indicates that 16·6 per cent of those completing the form had expressed the desire to settle on the land. This represents more than 33,000 individuals.

The following is a tabulation of the results obtained from an examination of more than 200,000 occupational history forms received and tabulated prior to October 31, 1941. It shows that in the navy, of a total of 17,588, those wishing to farm are 1,042 or 5·9 per cent. In the army the total examined numbered 136,913, and those wishing to farm are 29,067 or 21·2 per cent. In the air force the total number examined were 46,225, and

those wishing to farm are 3,343, or 7·1 per cent, making an over-all average at that time, among that number, of 16·6.

Mr. GRAYDON: Would those be mostly farm boys?

Mr. MACKENZIE (Vancouver Centre): Yes, in most instances they were. It is a hopeful and encouraging sign in connection with the proposed legislation that the desire to go on the land which is found among members of the forces serving in the present war does not seem to have any of those romantic illusions which captured the imagination of the soldiers of our generation twenty-five years ago. The men who have expressed a desire to take up farming, in the present instance at least, seem to be actuated by a sober, serious appreciation of what is involved. It is in keeping with the serious purpose of this measure that the director administering it is to be empowered to make regulations regarding the qualifications to be required of applicants. That is, it is expected that a loan shall not be issued unless the director is satisfied that the man has experience and ability which justify the expectation that he can make a success of farming.

Mr. NEILL: These men have to be experienced?

Mr. MACKENZIE (Vancouver Centre): Either they must have some experience or they must undergo a course of training, for which provision is made in the bill.

In regard to administration, the measure is to be administered by the Minister of Mines and Resources, through a director. Under the original Soldier Settlement Act, administration was placed in the hands of a statutory board. Later on, as hon. members are aware, that board was abolished and the administration was placed in the hands of one director. It has been deemed desirable to follow the latter practice in this instance. A board of three or more may be desirable where there are consultative features connected with the administration. Where, however, as in this measure, the administrative functions are not consultative but executive, it seems better that authority should be vested in one man, with the assistance of such technical advisers and staff as he may require.

I come now to the question of those who may be qualified. Those who qualify for assistance under this measure are confined to (1) members of the armed forces of Canada who served in a theatre of war; (2) members of the armed forces of Canada who did not serve in a theatre of war but who served for at least twelve months; and (3) Canadians who enlisted in the British forces, and particularly in the Royal Air Force.

Mr. STIRLING: Will (2) and (3) be treated the same as (1)?

Mr. MACKENZIE (Vancouver Centre): Yes; provided they were residents of Canada before the war, the same conditions apply. Provided an applicant has the above qualifications arising from military service, it shall be within the discretion of the director to determine whether or not he is entitled to be assisted; that is, on the grounds of qualification. Broadly speaking, the discretion of the director will be concerned with a man's fitness and qualifications for the vocation of agriculture. In cases where applicants are considered to require training, the director may make provision for placing veterans with selected farmers for practical instruction. Provision is also made for arriving at agreements with the federal and various provincial departments of agriculture, or the extension departments of Canadian universities, or accredited agricultural schools or colleges, for the purpose of training veterans.

The measure does not provide for subsistence during the training period, because the post-discharge order, administered by the Department of Pensions and National Health, contains provision for a scale of allowances to be paid to ex-service men whom it is considered can be helped toward reestablishment by vocational training. It is intended that the two departments shall cooperate in this connection. The director of the Veterans' Land Act will indicate the type of training required; and when subsistence for the individual applicant is needed, it will be forthcoming from the Department of Pensions and National Health under order in council P.C. 7633.

I come now to the powers of the director. The director is to have authority to buy or acquire land and farm property, which is to be vested in the director as a corporation sole. The land and property acquired by him shall be subject to taxation in the ordinary way by a properly constituted taxing authority. Under the old Soldier Settlement Act there was a period of uncertainty, which was ended only through costly and confusing litigation, as to whether soldier settlement lands should be subject to municipal taxation. In the present bill this issue is faced definitely from the outset, and it has been decided that the land shall pay taxes to the local authorities in exactly the same way as any other farm property.

Two types of transactions between the director and the veterans applying for assis-

tance are provided for in the measure. In one case the director buys the land and resells it to the veterans under agreement of sale, in accordance with the provisions of the bill. The director is required to calculate the cost price of any land acquired for the purpose of resale to veterans. In calculating the cost, he must take into account not only the price of the land but the cost of improvements effected under his own administration. A ceiling has been placed upon the cost which the director may incur in connection with any individual property; that ceiling is $4,800. This top limit is to include land and improvements, building materials, live stock and farm equipment. In connection with any individual transaction it is provided that the cost to the director of the land, improvements and building materials shall not exceed $3,600, out of the utmost price of $4,800. The veteran is required to make a cash down payment of ten per cent of the cost of the land, improvements and other materials. That is, if the property has cost the director the maximum amount, the veteran shall be required to pay down $360. It is provided that the live stock and farm equipment included in the transaction shall not exceed one-third of the cost to the director of the land, improvements and other materials. Again using the maximum figure, this means that if the land, improvements and building materials cost the director $3,600, the live stock and farm equipment shall not exceed $1,200. These two figures make up the ceiling cost of $4,800.

It is in the next provision that the government's grant to the settler is to be found. The sale price to the veteran of the complete enterprise, including live stock and farm equipment, shall be two-thirds of the cost to the director of the land, improvements and building materials. By way of illustration, if the land and improvements cost the director $3,600 and the stock and implements cost the director $1,200, or a total of $4,800, then the indebtedness assumed by the veteran shall be $2,400, and the down payment to be made by the veteran shall be $360. The interest set out in the bill is 3½ per cent, unless otherwise provided by the regulations. Payment shall be completed in a term of twenty-five years, with the interest calculated on an amortization basis. The director, however, may exercise his discretion to permit for the first five years the payment of interest only, but the total repayment period of twenty-five years is not to be exceeded.

No conveyance or transfer of the property shall be made to the veteran within the first ten years, and then only if the veteran has complied with the terms of his agreement. This means that the government's grant to the veteran is not made unless and until the veteran has proved by ten years' fulfilment of his contract that he is making good in his venture. While it is provided that the director shall not incur costs in excess of $4,800 upon any single property, there is nothing to debar a veteran from undertaking a larger venture if he is himself able out of his own resources to put up the additional amount of money required. In this connection it should be said that the proposed ceiling of $3,600 for the land is considered to be equivalent to the ceiling of $5,000 under the Soldier Settlement Act, having regard to present-day values.

I come now to the question of live stock and equipment. The Veterans' Land Act is so drafted that the veterans' land does not become encumbered with any charge or mortgage arising out of the acquisition of live stock and farm implements furnished to him by the director. The title in such live stock remains with the director until the time comes for disposal, when the director may facilitate marketing or exchange by conveying the ownership to the farmer.

In effect, live stock and equipment are merely issued to the farm and remain the property of the director until the ten-year period has elapsed, at the end of which the director may release the live stock and equipment to the veteran if he has complied with the terms of his agreement. This does not in any way militate against the farmer profiting from the sale of his live stock. Thus, increase from foundation stock may be sold and the proceeds used to meet farming expenses. It is expected, of course, that the value of foundation stock will be maintained.

The second type of assistance to settlers contemplated by the bill is a loan upon property which the veteran already owns. The amount of assistance, by way of loan, that may be made in these circumstances is limited to $3,200, and shall not exceed 60 per cent of the value of the land as established by the director.

Advances for the purpose of live stock and farm equipment shall not exceed 50 per cent of the value of the land, or a total of $2,500. Repayment may be extended over 25 years at the rate of 3½ per cent.

It is felt that this provision may be of assistance to a number of veterans who have farms encumbered by mortgages at higher rates of interest than provided for in this measure.

It is considered that there may very well be cases in which a veteran possessed of a property worth from $6,000 to $10,000 may need a loan of only $2,000 to facilitate resumption of farming occupations. In cases, however, where the property is heavily encumbered, it is probable that the Veteran's Land Act will prove of greater assistance through outright purchase by the director and resale to the veteran on the terms contemplated by the provisions already described.

The bill provides that the veteran shall keep his property insured and that all taxes and assessments shall be paid, but there is a provision that, if the veteran is unable to pay taxes when they are due, the director may do so in his behalf and demand repayment with interest at 3½ per cent.

One of the most important features of the bill is the method adopted for dealing with settlers who prove unsuccessful. Under the old Soldier Settlement Act, unsuccessful settlers clung to their land long after they should have given up the enterprise, and it was very difficult for the soldier settlement board to evict them, because from the very nature of the transaction it was exceedingly improbable that there could be any salvage to assist the settler in embarking upon any new enterprise.

The present bill gives the director definite powers of rescission when the veteran falls down on his payments. The director may, without resort to any legal proceedings, rescind the agreement and retake possession of the property. There is a requirement, however, that the director shall give thirty days' notice of intention by registered mail and, upon taking possession of the property, the director may sell, lease, or otherwise dispose of the property. Any surplus proceeds from the sale, over and above the outstanding costs and the expenses of the transaction, shall be paid to the veteran.

Before establishing any surplus, the director must take into account the cost to the director of all the property acquired for the veteran's establishment. Obviously this does not presuppose that veterans who fail will have established an equity in the enterprise. But there is provision in the bill to deal fairly with veterans who fail through ill health or other reasons beyond their control. If, in such cases, the director believes that no surplus will be realized upon resale, he may recommend to the minister, and the governor in council may, upon the minister's recommendation refund to the veteran his initial down payment in whole or in part.

In view of this, it is considered that the director will not be tempted to allow a veteran to continue a doomed enterprise beyond the point at which his failure is indicated. The prompt application of the director's powers to rescind the agreement and the repayment to the veteran either of his down payment, or of a realized surplus upon resale of his property, will give the veteran an opportunity to reestablish himself in some other occupation where he is likely to have greater success than in farming. It is of no real assistance to the veteran who is doomed to failure to let him carry on for an unduly long period. It is far more in his interest that he shall cut his losses and try some other enterprise before he is too old to be able to make the change.

There are in the bill a number of miscellaneous provisions of considerable interest. It is obvious that the director will have to acquire a large amount of land, and, for its conservation pending sale to a veteran, the director is authorized to lease the property on terms approved by the minister. It is considered also that, in transactions of the magnitude of those upon which the director is authorized to embark, there will be a percentage of errors of judgment in valuation. Where such errors appear, there is a procedure whereby, under the approval of the minister, the property may be revalued or sold to others than veterans.

The director is also authorized to sell lands at his disposal as sites for dairy factories, cheese factories, fruit preserving factories, creameries, or for any educational, religious or charitable purposes. He may also sell lands to any provincial or municipal authorities for any purpose. Nobody indebted to the director of soldier settlement, under the Soldier Settlement Act, may receive a loan or advance under this measure.

A set of circumstances that arose not infrequently under the Soldier Settlement Act has been guarded against by a provision that the director may refuse to sell to a veteran land occupied by his parents or other immediate relatives. It was a not uncommon experience, under the Soldier Settlement Act that a father would sell his farm to the soldier settlement board for resale to his soldier son on the advantageous terms provided for in the Soldier Settlement Act. The result in many instances was that the father received a substantial sum of money from the soldier settlement board and remained in occupancy and management of the farm exactly as he was before. The soldier settler was thereby saddled with the maintenance of his father's family, as well as his own, and the whole transaction contributed nothing to the real problem of soldier settlement.

There is also very strict provision excluding commissions on the sale of land to the director. The prohibitions with regard to commissions are extensively set out in sections 32 and 33 of the bill, and severe penalties are prescribed. The bill provides for regulations to be made by the director for administrative purposes, and all regulations are required to be published in the *Canada Gazette* and tabled in parliament.

It has been estimated that under this bill an expenditure of $80,000,000 will provide for the settlement of 25,000 veterans. On that number of men, the capital loss arising from the provision for granting the veteran a percentage of his equity, would be $34,000,000. This is an average of $1,360 per settler. The capital loss per case under the old act was an average of $4,000, which represents the concessions granted from time to time.

It will interest the committee to know that this bill is the result of more than a year's study and consideration by one of the committees set up under the cabinet committee on demobilization and reestablishment. The cabinet committee, it will be remembered, is advised by a general advisory committee, presided over by the chairman of the Canadian pension commission, and consisting of senior officers of eight or ten government departments.

The general advisory committee, in turn, set up a series of subcommittees to deal with specialized phases of the problem of reestablishment. One of these committees was assigned the subject of soldier settlement, and the present bill is the product of its labours. Advice and assistance were received not only from government officials, but from a number of authorities outside the service of the dominion government. Some of the most prominent citizens of Canada were engaged in that work for eighteen months, before the bill was finally approved by the government.

The members of this committee and its consultants and advisers are entitled to the thanks of the government and of this house for the measure which is to be presented to the house, after the adoption of the resolution.

In conclusion, I would commend the measure to the earnest consideration of the special committee, and afterwards, of the house.

Mr. STIRLING: One of the difficulties under the old act would seem to have been avoided in this. Under the old act it was possible for a veteran to choose his piece of land and ask that it be purchased on his behalf. Under this scheme will the veteran have any choice whatever as to the province, as to the part of the province and as to the type of land, or will it be left entirely in the hands of the director who has these lands for sale?

Mr. MACKENZIE (Vancouver Centre): It will be left to the judgment of the director with such advisers as he may call in to indicate whether land is suitable for settlement and whether the applicant is liable to succeed if settled on the land.

Mr. BOUCHER: Will the veteran be able to decide in which province he is to settle?

Mr. MACKENZIE (Vancouver Centre): I would say yes, within reasonable limitations, provided that the conditions for success with the ceiling limitations existing in this bill are as good in one province as in the other. I would certainly think he should have the right to decide.

Mr. BOUCHER: Do I understand that a returned veteran will be able to obtain only what property the director has available? Do I understand that he cannot pick out a particular piece of land and then take advantage of this legislation to purchase it?

Mr. MACKENZIE (Vancouver Centre): I pointed out that there would be supplementary provisions in the bill whereby a veteran already owning land outside the general provisions of this bill could be assisted in reestablishment by refinancing under this legislation.

Mr. BOUCHER: That does not answer my question. What option has a veteran who has proven to the director that he is a fit and proper person to be established on the land given, as to a particular parcel of land he may prefer to purchase? What assistance will be given him in the purchase of a particular parcel of land not owned by the director? A man may want to go back on the old homestead or another farm near by.

Mr. MACKENZIE (Vancouver Centre): I would say that that would be a matter entirely for the discretion of the director in consultation with the applicant. That is the only way whereby that could be successfully decided.

Mr. BOUCHER: Do I understand that if an applicant applies to the director and states his desire to purchase a certain parcel of land, the decision is left to the director whether that land will be purchased on behalf of the government and resold to the returned man?

Mr. MACKENZIE (Vancouver Centre): That is quite correct unless the director had

available—I must be frank and say that I am rather speculating—sufficient land for the number who could be accommodated under the provisions of this legislation. Then, of course, the applicant would have to be accommodated from the lands already acquired. But if the director did not have sufficient land, then the situation mentioned by my hon. friend would be met.

Mr. BOUCHER: The veteran will have little say as to the purchase price of the land?

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

Mr. BOUCHER: He would simply have to pay a proportion of the price the director paid for that parcel of land?

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

Mr. HAZEN: Were the provisions of the Soldier Settlement Act limited to soldiers who had lived in Canada prior to the last war?

Mr. MACKENZIE (Vancouver Centre): No; I think the provisions of that act were extended to our allies. That is why the provisions of this bill are limited to those who resided in Canada prior to this war.

Mr. HAZEN: That is rather a funny reason.

Mr. MACKENZIE (Vancouver Centre): I think it is a fair reason, unless there is reciprocity among our allies and we are given the same treatment in their countries.

Mr. BOUCHER: Would the minister go a little more fully into the matter of the judgment of the director in connection with settling a veteran on the land? I can contemplate a condition where a great number of young men who left agriculture at a very young age have spent three or four years overseas. They will come back without a firm foundation of agricultural knowledge. They did not have that before they left; and after a number of years of war when they seek to return to the world they left behind they will find that considerable changes have taken place meanwhile. Let us assume that a young man has satisfied the director that he is a fit and proper person to return to the farm. Would it not be in the public interest, either by a course of training or instruction, to see that this man was given the necessary training in farm pursuits? I think the minister realizes that farming today is not what it was in the days of the last war. It is a much more technical pursuit, requiring more skilled management in carrying it out. After this war is over, it will probably be much more so. I think the utmost care will have to be taken in seeing that these young men are given the proper training. The veteran who has dreamed of a utopia on the land is quite likely to find a different condition existing upon his return; and if he is not given the proper training before being placed on the land, his chances of success may be lessened.

The CHAIRMAN: I should like to point out to hon. members of the committee that when a resolution is introductory of a bill, only the principle of the bill should be discussed; the committee should not discuss the details of the bill to be introduced. There is a certain latitude given to hon. members, but I do not think it goes to the extent of permitting a discussion of the powers of the proposed director or the conditions under which the soldiers are to be reestablished on the land. The principle may be discussed quite broadly, but I do not believe at this time it would be in order to go too fully into the details.

Mr. MACKENZIE (Vancouver Centre): Perhaps I was out of order in going into the details in my presentation, but I asked for the indulgence of the committee and, earlier to-day, of the house, because this bill will not be in committee again. It will go straight from the second reading to a special committee which has been appointed by the house, and because of that fact possibly we may have a little more latitude than is customary according to the rules of the house.

Mr. BOUCHER: I think it is dealing with the principle of the bill to ascertain the qualifications of the participants of its advantages.

Mr. GRAYDON: I doubt if there is a subject which could come before the committee where the personal equation enters more into the picture than it does in this matter of soldier land settlement. I should like to point out to the minister in charge that I have a great sympathy with him because of the problem which he is attempting to meet with this proposed legislation. Those who have made some study of the problems which successive governments have had to solve in connection with land settlement since the last war will realize the problem which now confronts this administration. But I do submit that in dealing with the question of veterans' land settlement the whole matter of the disparity between agricultural returns and those from other industries in the dominion must inevitably be

taken into consideration and must inevitably form a factor as to whether this scheme shall be a success or a failure.

I can conceive of the difficulties encountered by any person going on the land. I can still recall most vividly the difficulties my own father experienced through the years in trying to wipe out debt on his agricultural lands. It meant not only hard work but long hours and the saving of every possible penny of farm income. For that reason it seems to me that the committee must take into consideration the necessity of bringing the man on the farm up to a position of economic equality with other classes in this dominion. It is all very well to give our soldiers who are demobilized from active service after the war every possible advantage to start with, but something more is needed to keep them on the land after they get there, as well as those already on the land who have now a stake in agriculture. Most of the farmers with whom I have talked are of the opinion that it is almost impossible in many parts of Canada to-day for a man to make ends meet, if he has to pay interest upon any considerable portion of his investment.

I think we all realize that the difference between success and failure on the land, whether the farmer be a soldier or a civilian, is quite often a matter of how much interest he has to pay on the debt owing on his farm and the amount of principal he has to repay. So it seems to me that in this soldier settlement plan which has been outlined by the minister we must first of all bring agriculture up to a parity with other lines of activity in our economic life. Not only must we encourage these men to produce the stuff, but we must help them find a market for it at a proper price after it is produced. I can conceive of nothing more pathetic than to bring a man who has been demobilized from active service into any industry which has not at least an equal chance of success with other lines of activity.

May I say this too, from a practical point of view. The question of the adaptability of the man who is to go on the farm is of major importance and must never be lost sight of in the administration of this measure.

There are many people who think they would like to farm, but the desire to farm and the ability to make a success of it, are two different matters, and we have had thousands of cases across this dominion to show that the adaptability of the individual is a most important factor. Then there is, of course, an angle which the bachelor Minister of Pensions and National Health could not be expected to appreciate. From my experience in agriculture—and this is no reflection on the menfolk on the farms—I would say: Show me a good farmer's wife and I will show you a good farmer. The womenfolk are a very important factor in the success of anyone who settles on the land, no matter where he may be.

May I say, in closing, that the director of this project and the board that is to be set up will need to do much more than take just simply a business administrative interest in these settlers. They will need to exercise a fatherly supervising eye over the men who go on the land. Some of the most glaring failures in land settlement under previous administrations have been largely attributable to the fact that men were placed on the land, given an opportunity that looked good on paper, and then afterwards there was no supervision, no fatherly eye was kept upon them by those in authority or even by their neighbours. The director himself ought not to be just an ordinary civil servant, and I am making no reflection on the service when I say that, because the thought I have in mind is that the director of this land settlement scheme must be first of all a man who has made his own money by the sweat of his brow on a dirt farm. I do not care whether he is a prominent citizen of Canada or not. I am more interested in getting a man who knows the farm problem intimately so that he will understand what the settlers will face when they go on the land. Certainly he should be a veteran of the last war and, if possible, a man who has undertaken and made a success, if you will, of farm settlement under some scheme administered by previous governments. He should have associated with him men of broad, practical farming experience.

I want to say this to the committee, that so far we have only scratched the surface in giving agriculture adequate representation on the many boards which have been appointed in this country in connection with our war effort. We should not be ashamed to put farmers upon every board in the country. If we had had more farmers on boards in Canada in the last twenty-five years, certainly we would have had less extravagance and better management than we have had on many public boards in this dominion.

Mr. MacNICOL: We should perhaps have farmers in the cabinet.

Mr. GRAYDON: My good friend the hon. member for Davenport brings up a very delicate question. A lot of the cabinet would like to look like good farmers—

Mr. MACKENZIE (Vancouver Centre): That is a compliment.

Mr. GRAYDON:—but I am told they belong for the most part to the professions. The board to be appointed must never lose sight of the advantage of having the advice of practical farmers who understand what it means for a man and his wife to go on a soldier settlement farm to carve out what may prove to be a very precarious living. The committee, then, it seems to me, should give consideration, first of all, to the adaptability of the men who are to go on the land; next, sympathetic supervision should be exercised over them; and equally important, there should be something like equality of opportunity with other lines in our economic life. In other words, our farmers should have a parity of return, the opportunity of being on an equal basis with other lines in our economic life.

Mr. QUELCH: I find myself thoroughly in accord with the sentiments which have just been expressed by the hon. member for Peel. I do not feel any too optimistic about the chances of the soldier's success under this land settlement scheme. Any soldier who starts with a debt of $3,600 on a half- or quarter-section of land and has to farm under an agricultural policy such as we had in this country from 1930 to 1939, will find that he has an impossible task on his hands.

Mr. MACKENZIE (Vancouver Centre): My hon. friend referred to a maximum debt of $3,600. The maximum debt will be $2,400.

Mr. QUELCH: Even with a debt of $2,000 on a quarter- or half-section of land, the soldier will find he has an impossible task on his hands under the type of agricultural policy that we had in this country from 1930 to 1939, because during that period, year after year, the farmers had to sell their products below the cost of production. Show me any concern that continues to produce below the cost of production, and I will show you a concern that is going to go into debt. Before considering any new land settlement scheme, the government would be well advised to take the necessary steps to clean up the old one—and that old scheme needs a good deal of cleaning up at the present time.

In order to judge of the principle of this new bill, we should have a thorough understanding of the land settlement act that was brought in at the end of the last war. Then, perhaps, we shall be in a better position to avoid the tragic mistakes which were made under that one. The story of settlement under the last scheme is one of tragedy and despair, interspersed all too infrequently with happy memories or records of success. I want to stress to the minister the all-important fact that unless a more humane attitude is adopted towards many of those men who still remain under the scheme, the closing chapters of that story are indeed going to be sordid ones. Since the government has undoubtedly a very direct responsibility for the conditions which exist under that scheme, I think they should take immediate steps to rectify them.

The Minister of Pensions and National Health dealt to a certain extent with the former scheme, but on the other hand there are many angles with which he did not deal. He did not refer at any length to the tragic conditions which exist under that scheme as a result of the policy laid down by the government.

Some of the main reasons for this unhappy picture may be briefly summarized as follows:

In the first place the method of selecting settlers was a haphazard one. Many of the soldiers regarded the scheme as just another adventure. They were neither physically nor mentally equipped for the job. The majority of them in the early stages of the scheme gave up. Then, many settlers—and the same will happen after this war—brought back young wives from the old country, girls who had lived a decent, simple country life; and these girls were called upon to live in such squalor and poverty that, in a great many instances, they refused to stay on the land. In some instances the family left the land; in others, domestic troubles ensued and the families were broken up. In either event that was the end of the soldier as a settler. In many instances the choice of supervisor was unfortunate. Men were chosen who had no qualifications for the job. Poor land was purchased as well as inferior stock and equipment. The soldier settler was exploited from every side. For some reason or another the soldier settler after the last war was looked upon as fair game for exploitation, and unfortunately the supervisor too often was not qualified to give him the protection which he needed. Purchases were made while prices were greatly inflated. Any old cows were selling at $125 each, and equivalent peak prices obtained for other kinds of stock. Land prices were based on $2 a bushel wheat. Consequently the settler had to face an interest-bearing debt which he could not possibly meet.

Mr. ILSLEY: May I ask the hon. member a question? Would he not say that the greatest cause of the failure of farmers under the scheme of the last war was inflation, the inflation at the end of the war?

Mr. QUELCH: Undoubtedly inflation was one of the causes, but I would not say that it was the main cause. I would point out to the minister that even the civilian farmers, who had benefited by inflation, found themselves in tragic circumstances afterwards. The distress was not confined to the soldier settler. If the civilian farmer twenty years after the war found himself in a position of bankruptcy, how much more likely was it that the soldier settler would be in a no less difficult position? To a certain extent, of course, inflation exists at present. If you compare prices of stock before the war with prices to-day, you might say that to-day's prices are highly inflated, or rather that the price of stock before the war was greatly deflated.

Mr. ILSLEY: I was just trying to be helpful; that is all. I think that shows the tremendous importance of preventing inflation now and at the end of this war, because it was the high prices which were paid for farms and for stock by these soldier settlers which weighed them down and kept them in misery for a decade or more and eventually ruined a great many.

Mr. QUELCH: Would the minister say that prices of stock to-day are not inflated? If that is the situation, would he guarantee that the prices which are now received for stock will be continued after the war? Can he guarantee that five years after the war the price of cattle will not be half what it is to-day? I do not think he would consider for one minute doing so.

Mr. ILSLEY: I cannot guarantee anything of that kind but I will guarantee that I will do everything within my power, and the government will do all it can, to prevent the kind of inflation which set in after the last war.

Mr. DOUGLAS (Weyburn): What about the deflation which will set in?

Mr. QUELCH: I believe the farmer will be more interested if the government will guarantee that the condition of deflation which we had in this country from 1930 to 1939 will not be allowed to come again. It is all very well to talk about inflation but speaking generally the farmer benefits as a result of inflation; it is deflation against which he wishes to be protected.

Mr. ILSLEY: I am not talking about these soldier settlers buying farms during a period of deflation.

[Mr. Ilsley.]

Mr. QUELCH: Unfortunately they were victims of something which was far worse than that. I know many soldier settlers and civilian farmers who in 1928 were fairly well off who had a fair amount of money in the bank a paid-up insurance policy and no mortgage, but who at the beginning of the present war were bankrupt. It was this continued deflationary policy which, along with drought, ruined the farmers. I know many who did not suffer from drought who were ruined by low prices. No farmer can continue year after year to produce crops and stock below the cost of production and continue in business. Once his reserves are gone, he is forced into debt. We all know that was the position of agriculture. Of course, any farmer who has to start in during an inflationary period is under a still greater handicap.

Another big mistake which was made was that many soldier settlers were placed on marginal land, and in a drought area. The constituency I represent comprises a great part of the drought area of Alberta. Many soldier settlers were placed in that area, in spite of the fact that the government had been warned year after year by their engineers and surveyors that that land was not suitable for the purpose. Just to show the type of land to which I refer, eight million acres have been taken back by the provincial government, who are now leasing, in many instances three thousand acres to each farmer, realizing that it takes that amount of land to enable him to make a living. Yet soldier settlers were put in that area on a half-section or a quarter-section basis. What possible chance had those men of making a success? They were settled under the advice and supervision of the soldier settlement board. All expenditures had to be passed by the board for payment. Therefore, I think, the federal government assumed a very direct responsibility for what took place.

The minister gave some figures of the number of settlers who went on the land and the number who are left. I want to quote another set of figures. To-day, approximately twenty-three years after the initiation of the scheme, out of a total of twenty-five thousand established under the act, only 7,360 remain under the scheme. Of course that does not mean that all of the 17,640 can be classified as failures. I believe that three thousand of them have paid in full for their land, but undoubtedly the majority of these men must be looked upon as failures. I want to break down that 7,360. Of the 7,360 who still remain under the scheme, 2,953 have an average equity of 67·5 per cent; 606 have an average equity

of 32 per cent, 1,078 have an average equity of 16 per cent, and 2,723 have absolutely no equity of any kind. So, out of the total of 7,360, 3,801, or 52 per cent, have an equity of less than 16 per cent. In other words, 52 per cent of the soldier settlers who are still under the scheme have no chance of ever making a success. I say that for this reason. I want to quote figures which were given to the special committee on pensions last year by Mr. Walter Woods. I will quote what he stated at the time, as reported at page 768 of the record:

Mr. Chairman and gentlemen, I understand that this morning I am required to make some comment on the deliberations of a subcommittee of the general advisory committee that has been dealing with the subject of land settlement for the new forces.

He goes on:

It is perhaps sufficient to say that the committee finds itself in agreement on certain important principles, the outstanding one of which is that state financial assistance, a substantial part of which will not be recoverable, is a prerequisite to the institution of any comprehensive plan of land settlement as a rehabilitation measure.

This is the important point to which I wish to call attention:

The question arises as to what is a safe margin. What equity should a settler have to ensure reasonable chances of success? Private mortgage companies have set a limit of approximately 50 per cent. The Canadian farm loan board has a limit of 50 per cent. The Central Mortgage Bank Act contemplates reducing the farmer's total debt for land and equipment to 80 per cent.

You will notice that the private mortgage companies figure that a soldier must have an equity of at least 50 per cent in the land; yet to-day, under the land settlement scheme, there are 3,801 men who have an equity of less than 16 per cent. In other words, we are justified in saying that at least 52 per cent of the men who are still under the scheme have little or no chance of succeeding. What is to become of these men? The majority of the 3,801 have come under the Farmers' Creditors Arrangement Act; but unfortunately, owing to continued crop failures and low prices, they have lost all the benefits of their reductions. But even if they were young, even if their equipment were in good shape, those men would not have any chance of succeeding, judging from the figures given to the committee by Mr. Woods. Unfortunately, however, they are no longer young. The majority of them are getting on in age. Their stock and equipment are old and their buildings are dilapidated. To-day these men are being pressed—I think I am almost justified in saying that they are being hounded—by the soldier settlement board. I am not criticizing the board for their action because they are only carrying out a policy imposed upon them. Let me read a letter from the British Empire Service League on a very important question—rather, it is not a letter but the report of a soldiers' committee. It is the report of the soldiers' settlers committee of the legion.

Your committee begs to report as follows:

Since being appointed at a meeting of the provincial council held in the Memorial hall, Edmonton, on January 2nd of this year, to investigate soldier settlers' affairs, I have received from the provincial secretary copies of the resolutions dealing with soldier settlers; and I have written the branch sponsoring the resolution, asking for statutory declarations to substantiate the claims set forth in their resolutions.

I have had sufficient replies with the required evidence to prove that all is not well with our comrades, the soldier settlers, and it is my considered opinion that many of them are struggling under a load of debt too great for them to carry. I find from the evidence submitted that the S.S.B. has been insistent on the yearly payments being met regardless of whether there was enough left over to insure a living for the settler or not.

In many cases where the soldier settler was dispossessed, the land was sold later to other parties, who were not ex-service men, for a great deal less money than the debt of the original settler for the board amounted to. It is possible that if the board had given the soldier settler the same price as the land was sold for he might have been able to carry on and remain in possession of his land.

I have also seen letters myself written by the board to soldier settlers informing them that in view of the fact that they were in the position where they could not pay for the land, they might as well get off it. I would ask, where are these men to go? They are told that they have no chance of succeeding now and that they have no equity. Where will they go if they are forced off the land? Men of that age cannot easily find a job, and many of them are physically incapable of working. Of that total only 554 are receiving war veterans' allowance. I would say that as part of our war effort immediate steps should be taken to investigate the situation in regard to these 3,801 men to whom I have referred. Before initiating any new scheme, I think it is the obligation of the government to take the necessary steps to reestablish those men who are already on the land. I have absolutely no faith that under the new scheme conditions in the long run will be any better than they are under this one, unless the government can guarantee an agricultural policy for the future which will return to the farmers cost of production. I would recommend that where there is a chance of a settler

carrying on, especially where he has the help of his children, the amount of the debt should be written down to a point where he will be in a position to pay it. I say to the government, treat him the same as you are treating the soldiers of this war. Treat him the same as he should have been treated under the Farmers' Creditors Arrangement Act. Owing to the continuance of low prices, the farmer now finds himself no better off than when his debts were reduced under that act.

Unfortunately the board have no power to reduce these debts to the point I suggest. Legislation is necessary to make it possible. I have spoken to officials of the board, and I found that they would have been only too glad to make a reduction, but they had no power. They could only suggest that where the settler was married, he should release the farm so as to enable his wife to buy it from the board. They would be then in a position to sell it to her at a greatly reduced figure. Why they had to deal with the subject in that roundabout way I do not know, but not all settlers have wives, and it can be done only where there is a wife. On the other hand, where the disability or the ill-health of the soldier prevents his ever making a success of the farm, even if the debt were reduced, I would urge on the government that they carry on a somewhat similar scheme for such men as they propose under the new measure. They should place these men in communities, in low rental cottages, with decent gardens, and pay them a war veterans' allowance so that they can at least finish their days in a certain amount of peace.

Let me refer to one thing more, a certain action on the part of this government which I regard as despicable. I would not have believed that this government could possibly be guilty of such an action if the evidence had not been presented to me. The government passed an order in council which gave them power to seize a portion of dependent's allowance in payment of the soldier settler's debt. When that matter was first called to my attention I told the particular settler, "You must be wrong, because under the regulations dependent's allowances cannot be touched." He replied, "I don't know whether they can or cannot be touched, but the point is that they are being seized at the present time."

When I got here I took the matter up with the board and found that order in council P.C. 138, 1936, had been passed. Perhaps I should read that order in council because there are not very many people who are familiar with it. I hope the minister is not proud of his responsibility for this order in council.

The board has had under consideration a submission of the honourable the Minister of Mines and Resources reporting that:

1. A considerable number of persons who agreed to purchase farms from the soldier settlement board or from the director of soldier settlement on long term contracts have enlisted in the Canadian armed forces.

2. In many cases the dependents of such enlisted persons continue to occupy their farms but no provision has been made for payment of instalments in respect of their contracts or of taxes in respect of their farms.

3. The director of soldier settlement has no authority to carry such accounts indefinitely and it is considered desirable to provide for deductions from dependents' allowances to cover local taxes and interest due.

Accordingly the board recommend that notwithstanding any provision to the contrary contained in any of the regulations providing for payment of dependents' or marriage allowances in respect of dependents of members of the Canadian armed forces, that in all cases where the dependents of an enlisted person continue to occupy the farm for which such person is indebted to the director of soldier settlement and in respect of which the contract terms are not otherwise satisfactorily provided for, there may be deducted from the dependents' or marriage allowance amounts sufficient to provide for payment of taxes levied by the local taxing authority in respect of the property in question and interest accruing annually on indebtedness to the director of soldier settlement, such deductions to be made monthly and in no case to exceed $20 per month except with the consent of the dependents concerned.

After having read this, I wrote the settler asking if he would forward me the correspondence that had taken place between himself and the board with regard to this matter. A number of cases were brought to my attention, but I am going to refer only to one specific case. First, I should like to read the letter which the soldier settler received from the board, without giving the name:

We have for acknowledgment your letter of September 26 requesting that we consider cancelling the deduction from your dependents' allowance of $13 a month under P.C. 138/1936.

Before it is possible for us to make any recommendation in this connection to head office it must be ascertained what amount will be received from the crop proceeds to apply against the contract.

You no doubt realize the state of your husband's account. The current loan instalment amounts to $126.36 with arrears outstanding of $355.65 making a total due on October 1 of $482.01. To date, against this sum we have only received $73.89.

When your husband's account was adjusted under the Farmers' Creditors Arrangement Act the board of review ordered that in each year the department should receive a one-fourth share of all crops grown on this land as collateral to the payment called for annually but this, of course, is not the basis of the

settlement. In other words, if the crop share does not meet the annual payment, Mr. . . . is required to make up the difference.

According to the information we have received, the one-fourth share of the crop this year will in no way meet the equivalent of an annual instalment nor will it even amount to the carrying charges.

We must, therefore, leave this matter in abeyance for the time being.

You will notice that according to the agreement under the Farmers' Creditors Arrangement Act, this settler had to turn over one-quarter of his crop, but that did not meet the payment, so they were deducting $13 a month from the dependents' allowance.

Mr. CRERAR: Does the letter state what the allowance was?

Mr. QUELCH: It does not. This man had a number of children, but at that time they were given allowances for only two children, so it could not have been more than $35 plus the allowance for the two children. I took up this matter with the board, who finally agreed to refund the amount of money that this woman had paid out of the crop proceeds, under the agreement, but they refused to stop this seizure of a portion of the dependents' allowance. I suggested that it would be better for them to insist upon the turning over of one-quarter of the crop, and allow this woman to keep the dependents' allowance. Their reply, however, was "No, we will not do that, for this reason. She may not always get a crop. If we just insist on a quarter share of the crop we may get nothing, but if we deduct a share of the dependents' allowance we will get that right along." In other words, they were destroying the very principle laid down by the dependents' allowance regulations, of which section 98 reads:

A dependent's allowance may not be claimed as a right. The allowance is for the purpose of promoting the well-being and efficiency of the military forces of Canada by providing a means to alleviate the financial anxieties of temporarily enrolled members with respect to the domestic welfare of dependents. . . .

Note that; it is for the purpose of removing anxiety from the mind of the soldier; yet the soldier settlement board refuses to accept a part of the crop, insisting upon a portion of the dependents' allowance because they do not want any financial anxiety. They prefer to place that anxiety upon the soldier, though it was the purpose of these regulations to remove it.

Mr. CRERAR: In the instance cited by the hon. member, did the soldier's wife manage the farm, or was it rented to someone else?

Mr. QUELCH: I shall deal with that point after I have read the next letter.

The CHAIRMAN: I must direct the hon. gentleman's attention to the fact that he is going into very full detail as to the application of the previous land settlement act. A general discussion, in general terms, of the proposed bill and the former act might be permissible, and some latitude might be allowed, but I do not believe the hon. gentleman is in order in going into very great detail with respect to the application of the other act.

Mr. DOUGLAS (Weyburn): There has been no objection on the part of the committee.

The CHAIRMAN: It is not a question of any objection; it is a question of the application of the rules.

Mr. QUELCH: To show that I am keeping within the rules, we are discussing the general principles of the new bill—

The CHAIRMAN: Exactly. I was pointing out to the hon. gentleman that as long as he deals with the general principles, he is quite in order; but when he goes into minute details and reads letters with respect to cases arising under the former land settlement act, I must rule that he is out of order.

Mr. QUELCH: I was just going to point out that in dealing with the general principles of the new bill, the only way in which we can possibly judge as to whether or not those principles are good is by making a detailed analysis of the old act. Are you, Mr. Chairman, in a position to say whether this proposition is sound?

The CHAIRMAN: My ruling has been given, and the hon. gentleman will have opportunity for full discussion at the proper stage, which will be in committee. When the bill is referred to the special committee the hon. gentleman will have full opportunity to point out the details that he now has in mind.

Mr. QUELCH: Perhaps, while complying with your ruling, I may be permitted to answer the question which was directed to me a few minutes ago by the Minister of Mines and Resources, as to whether this dependent was herself farming the land. She is farming the land; but in order to do so she has to employ a man to run the farm, and she needs the dependents' allowance in order to pay him the wages for the work which otherwise her husband would have been doing. If the government is going to seize a portion of the dependents' allowance, this woman will not have the money with which to pay this man. During the winter, because of the health of

the children and the distance to school, she has to move into town and pay rent. The only excuse given by the board in this case was that they were merely charging a fair rental for the use of the farm property. If that is true, I would ask this question. If a soldier owns a house, does the board deduct from the dependents' allowance in that case an amount equal to the rent for that building? Certainly it does not. Then, why should it be deducted in the case of a person on the land, who is far less able to pay? If the government are justified in this action, a mortgage company would be equally justified in asking the government to allow it to seize a certain proportion of a dependents' allowance as fair rent for property on which they have a mortgage. Why should the government take unto itself the right to do something that no one else can do? I think, as I said before, that this is a most despicable action.

Mr. CASTLEDEN: What was the average capital indebtedness of each farmer under the old act? I understand there were about twenty-five thousand settlers?

Mr. MACKENZIE (Vancouver Centre): There were 24,793 soldier settlers and 224 Indians.

Mr. CASTLEDEN: And the total indebtedness was about $109,000,000?

Mr MACKENZIE (Vancouver Centre): Yes.

Mr. CASTLEDEN: Then that would give an average investment or debt of about $4,400?

Mr. MACKENZIE (Vancouver Centre): I believe $4,600 was the average original investment.

Mr. CASTLEDEN: Did I understand the minister to say that the average capital loss on those debts was about $4,000?

Mr. MACKENZIE (Vancouver Centre): That is correct. That includes interest charges.

Mr. CASTLEDEN: I think that is where the nigger comes in. In other words, these soldier settlers paid $65,000,000—I believe that is the amount collected over a period of years.

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

Mr. CASTLEDEN: And the cost of collecting that was about $26,000,000.

Mr. MACKENZIE (Vancouver Centre): About $25,000,000, I think.

[Mr. Quelch.]

Mr. CASTLEDEN: Yes. In spite of this, there is a capital loss to the settlement board averaging about $4,000 on an original debt of $4,400 to $4,600. The cost of collection runs about 40 per cent. We would have been a good deal further ahead if we had given them the land, to start with. We would have had about 25,000 noble veterans of the last war who would have had homes. But the net result of what has happened is that only 10 per cent of these men have been able to pay off their indebtedness, in spite of the fact that settlers altogether have paid $65,000,000. Two-thirds of these noble veterans have given up in despair.

Where are they to-day? The 33 per cent who do remain on their homes are, in many instances, living in miserable hovels. They are living in fear and in insecurity. They are wondering when the representatives of the soldier settlement board will be around to ask them to give up everything, to sign a quit-claim deed and get off the land. Those veterans are now twenty years older than when they returned from the last war, when they were willing to give their lives for this land of ours. Now their home is tied down to debt —to inflation, as the Minister of Finance has said. Interest is bled out of these people on that debt.

As the previous speaker has pointed out, the government is apparently out-Shylocking Shylock in passing orders in council compelling the wives of these men to take certain action. If the settler enlists again, in many instances to obtain a living, she is forced by order in council, to give up a portion of her separation allowance. In many instances these returned veterans are only wrecks of their former selves. Surely it should be the intention of such a bill to provide homes for those men who were willing to sacrifice. If that is so, then in heaven's name remove some of the worry and insecurity and fear that fill the hearts of these people. Give them a chance to make homes for themselves. Is that not the intention?

Mr. MACDONALD (Brantford City): That is what this bill is to do.

Mr. CASTLEDEN: Then it is failing in its objective, because it leaves the same principle in the bill. How are we to know the value of the properties for which these men are going to be asked to pay? Is the property going to be valued by the director? Will he place the price upon it? What will the price be, and who will say what that price will be?

Mr. MACDONALD (Brantford City): They are paying only 50 per cent of the cost this time.

Mr. CASTLEDEN: Whose cost? If it is 50 per cent of something valued at twice what it is worth, what is the difference? In the years those men spent on the land they have given all their labour, and the labour of their wives and families to produce some cash return, something to maintain their home. They are forced to pay their taxes; those must be paid. In this instance the board is going to lend that money to pay the taxes, and pile that on top of the soldier's indebtedness.

Then, every year the capital debt against each man is going to reap its interest. True, the interest rate is lower than it was last time. Still it is too great, because in all those years when there was no return for a farmer's work his labour went for nothing; but the capital invested there has to be paid its interest; the debt must reap its reward. Oh, yes, capital has to have its reward, whether labour is paid or not!

The second suggestion made by the hon. member for Acadia was that something should be done under the bill to provide decent homes for these people. Something should be done to see that men going into this scheme are not tied down to burdens too great for them to carry. Something should be done for those men who are already trying to hang on, on present settlement board farms throughout the country. If for 20 years these men have continued on those farms; if they have worked for 20 years and have stuck to their jobs, surely those men and their wives and families, after what they have suffered as a result of the last war, should receive better treatment. Surely, for the balance of their worried lives they should be told, "Well, you have done your bit. At least there is a home for you for the rest of your days." Instead of that, they are being hounded and asked to pay interest and payments, year after year.

I received a letter from one of them who happens to live in my constituency. His income will not be any more than $300 cash for the whole year. He has paid his taxes this year. He informed the supervisor that his wife had contracted a cancer, and that she had been in hospital for about seven weeks. The supervisor was informed that the wife would have to return to the hospital every two months, but no account was taken of that. On the contrary he received a letter from the provincial office telling him they would like to receive $15 or $20 as a token payment, to keep the debt in good standing.

This type of thing—well, I claim it is almost sabotage, in days like these. Some better ray of hope than what is shown in this bill will have to be placed before them. The treatment of these men has been dastardly, and I do not see much hope in this bill unless there is a change of viewpoint.

The purpose of the bill should be that of providing homes, with security. Assuming that a farm in an ordinary year should make a certain return, then I would say in such case a settler could make a payment, and I believe he would be willing to. But in those years when there are no returns for work, there should be no interest piled on—none at all. Weather conditions, crop conditions, price conditions, and market conditions vary from year to year. These are matters over which the farmer has no control. But, in spite of the fact that he is prevented from earning anything, extra debt is placed upon him. This should not be.

Mr. CRERAR: Mr. Chairman, I certainly cannot let the remarks of the hon. member for Yorkton pass without challenging them. Let me say at once that the contribution he has made to the discussion to-night is of very little aid either to the soldier of the last war, or to those who will return from the present one. The hon. member lacks a sense of reality, altogether.

Mr. CASTLEDEN: Well—

Mr. CRERAR: I did not interrupt the hon. member, and I ask him to keep his place now. When he says the treatment accorded by the government to the men who returned from the last war was dastardly, I throw it back in his teeth, and tell him he does not know what he is talking about.

The Minister of Pensions and National Health gave a summary of the benefits or readjustments made on behalf of the returned men who settled on the land after the last war. There is no doubt that there were many who settled at that time who should not have done so. But they expressed a preference to go to the land, and their preference was met.

I cannot agree either with the hon. member for Acadia. I do not know whether these two hon. gentlemen are in favour of the principle of the bill, or are opposed to it. I would judge from their remarks that they are opposed, and that they do not wish to see the government make any provision for the settlement on land of the men who will come back from the present war. If they are in favour of the bill, why do they not rise in their places and say so?

The hon. member for Acadia painted a rather gloomy picture of the last land settlement scheme. I admit that there were difficulties. The scheme was new when it was undertaken—I may tell the committee that

I did not have any responsibility for that scheme—it was a new venture altogether in land settlement. There is no doubt that high prices were paid for the land because, as the Minister of Finance stated a moment ago, it was bought at a time of highly inflated values. The scheme came into effect and was operative in the latter part of 1919, and in 1920 and 1921, before deflation in values took place. It was during those years that a large amount of the land upon which these men were settled was purchased, and unquestionably it was purchased at inflated values. That was recognized by the several adjustments that were made from time to time. I would say that that was the first difficulty in the last scheme.

The next difficulty was that no test was made of the men who were settled on the land; that is, no test of their experience in a practical way to manage and operate farms. I think I am within the judgment of those in the house who are familiar with farming operations when I say that to succeed on a farm a man needs some experience and the ability to apply managerial skill; he must have the ability to apply those qualities that lead to success in any occupation. The old-fashioned idea was—perhaps it entered too much into the last scheme—that the main requisite for a farmer was a strong back. That is not the situation. If a man is going to succeed in farming, he must possess managerial skill, experience and the knowledge of how to make the best of the occupation he is in. Without discrediting any of the returned men from the last war, I think it is admitted that many of them did not have that experience. Indeed, some of them had never been on a farm in their lives, at least had not done any practical work, and naturally they were handicapped. That was a serious handicap.

In many instances men were settled on poor land. I am not going to criticize the methods by which the land settlement scheme was carried through; but I know that in my own province, in the area between lake Winnipeg and lake Manitoba, the land is not good farming land, and yet many soldier settlers were placed there. They were handicapped from the beginning by that very fact. These have been guarded against in the measure which the Minister of Pensions and National Health introduced to the house this evening. There is provision for the selection of suitable land; there is provision that experienced men only are to be placed on the land. If an individual has not had farming experience, an opportunity is to be given to him to acquire that experience in a practical way before he undertakes the job of managing his own farm.

Mr. MACKENZIE (Vancouver Centre): Cooperation by the provinces.

Mr. CRERAR: There will be a provision in the bill to guard against the acquisition of poor land. Benefiting by the experience gained in the operation of the soldier land settlement scheme, provision is made to guard against these things as far as it is possible to do so. Provision is made also for much more generous assistance on the part of the government than was given under the last scheme. With the experience gained in the operation of the soldier land settlement scheme, there is a reasonable chance—I would say a good chance—that in the great majority of cases this scheme will succeed.

The last scheme was not quite the dreary failure indicated in the remarks made a short time ago by the hon. member for Acadia. There were between 24,000 and 25,000 settlers placed upon the land.

Mr. GILLIS: As I understood the Minister of Pensions and National Health, he told us definitely that in the working out of the last scheme for land settlement you had something then which you have not now—you had land. As far as the federal government is concerned, they have no land now. Where is the director who is going to place these men on the land going to get the land upon which to place them?

Mr. CRERAR: I can tell my hon. friend that that will be the least of the difficulties of the director. In the last scheme there were between 24,000 and 25,000 settlers placed upon the land. Of those, over 3,800 have title to their land to-day; they have made their payments in full, they own their homes and there is nothing against them. It is estimated that another 5,800 or thereabouts have from a fair to a substantial equity in their properties, and in the course of time they will probably acquire title to their homes.

Mr. QUELCH: I challenge those figures as not being correct. I have a letter here from the superintendent of the soldier settlement board which gives different figures entirely.

Mr. CRERAR: The figures which I give will not conflict with the information my hon. friend has.

Mr. QUELCH: They certainly do.

Mr. CRERAR: That was achieved in the face of the difficulties I outlined a moment

ago as attendant upon the inauguration of the soldier land settlement scheme following the last war. A note has been handed to me which may give a little comfort to the hon. member for Cape Breton South who is doubtful as to whether land can be secured. According to the last census figures, there are to-day over 70,000 farms in Canada occupied by farmers over sixty-five years of age with no grown sons to follow them. All the time farms of that kind are coming into the market. Let me repeat: I do not think there will be any problem in securing suitable land.

Mr. Chairman, I ask your indulgence because I realize that I am out of order, but I do not want to let the statement made by the hon. member for Acadia pass without some qualifications. He gave an instance of a veteran of the last war who had enlisted in this war, leaving his wife and several children on the farm. He criticized the government severely because it had asked that a certain amount, I believe it was $13 a month, should be given by the recipient of the allowance toward paying taxes and maintaining interest payments on the farm. There are cases of that kind.

I think that was the kind of case to which the hon. member for Yorkton applied the adjective "dastardly". What were the circumstances of the case? In the first place, the wife of the soldier got an allowance of $35 a month contingent upon his assigning $20 of his pay each month. For each of two children she got an allowance of $12 a month. Therefore altogether she was in receipt of $79 a month. She was not disturbed in her possession of the farm; she could rent it or work it herself, and pay a quarter of the proceeds to the soldier settlement board. She was asked to pay $13 a month for taxes and to help pay the interest on the amount that was owing. That is the treatment to which the hon. member for Yorkton applies the adjective "dastardly". I think it would require a pretty good stretch of the imagination for anyone to consider that dastardly treatment.

Mr. CASTLEDEN: I was not referring merely to that. It seemed to me dastardly that the government would take unto itself powers which were not permitted even to a mortgage company.

Mr. CRERAR: I have as Minister of Mines and Resources charge of the administration of the Soldier Land Settlement Act. I invite the hon. member for Yorkton and any other hon. member to give me chapter and verse of the particulars of any case, and I am quite willing to submit them to the judgment of the house. There may have been cases—I do not say there were none, although I would be surprised if I found any—where some hardship has resulted, but the whole purpose of the government in administering this scheme was not to oppress the settlers but to help them put their properties in a position where they would have a secure home for themselves for the future. There have been cases where $50, $60, $75 and, in some instances, $79 a month have been paid to soldier's dependents on the farm, where a veteran of the last war has enlisted in this war. That is a fair sum, $75 a month, when you are living on a farm where you have a home to live in and security of tenure. You are not paying rent. You are paying a part of the proceeds—in the particular case cited by the hon. member for Acadia, a quarter of the proceeds—but it is in the interests of the veteran himself and in the interests of the home to pay the taxes. Therefore I hope the hon. member for Yorkton will, upon reflection, conclude that the administration of the scheme is not nearly so severe as he would have the members of the committee believe.

Mr. GRAHAM: The minister intimated that in the questionnaire 33,000 indicated their intention of taking up farming.

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

Mr. GRAHAM: How many of these were engaged in farming or came from farms?

Mr. MACKENZIE (Vancouver Centre): I am told that the information is not at present available but will be when the final classification is made. A substantial proportion of them were already possessed of experience on the farm.

Mr. GRAHAM: Are any agricultural courses under the vocational training scheme given under government control or under legion control?

Mr. MACKENZIE (Vancouver Centre): Yes, I understand that the legion is conducting an agricultural course.

Mr. MacNICOL: I listened with interest to the minister's statement in which he said that the government has no land belonging to the crown.

Mr. MACKENZIE (Vancouver Centre): The leaseholds have been transferred to the provinces, and there is no crown land available, but according to the statement read by my colleague there will be plenty of land available for this purpose.

Mr. MacNICOL: In the riding of the Minister of Mines and Resources I was driven over a large territory just west of the Pas. It is some of the finest land in the world, open for settlement, and is available at a very low price. I would think it would be a splendid piece of land to settle anybody upon. Again, north of the Peace river I was shown very large areas of land upon which no one was residing. I do not see why the government could not settle large numbers of men in blocks up there. I have also in mind what is being done for the Sudetens. The Minister of Mines and Resources is more familiar with that than I am, although I spent some time in that territory upon two occasions.

Mr. MACKENZIE (Vancouver Centre): If I may interject, all the provinces of Canada have been approached and have indicated their utmost desire to cooperate by way of surveys and otherwise in order to make the scheme a success.

Mr. MacNICOL: What I had in mind was that if large blocks of good land were available here and there at a very low price, it would be much better to settle the soldiers upon such land than upon land which was heavily encumbered with debt from the very beginning. Land settlement after a war is not a new thing. After the Revolutionary war, the United Empire Loyalists were settled in Canada in the eastern counties and the counties just west of Kingston, in Frontenac and Hastings. After the war of 1812, large numbers of soldiers were settled in Lanark county. They were given the land free, obtaining title to it after being upon it for three years. They were also given various implements with which to work the land, and were given rations for two years if they were required; and as I read history, most of these settlers made good. Many of my people on my father's side were soldiers of the Napoleonic wars, and they settled in Lanark county and made good. A private drew 100 acres; a lieutenant and a captain, larger amounts respectively. They made good partly because they were not encumbered with debt from the very beginning.

I have listened with interest to what has been said by hon. gentlemen from the west who sit to my left, who are familiar with the problems of the soldier settlers in the west; and after listening to what they have said it would appear to me that one of the reasons why some of these soldier settlers failed to make good is that they were encumbered with debt from the beginning. On the other hand, I believe that what the Minister of Finance has said is largely true, that inflation after the last war had a lot to do with the lack of success of many of these settlers.

I should like to see the bill contain provisions whereby the soldier settlers will be able to start on the land with a very low encumbrance of debt, if any at all. I would rather see them start free of debt, because I agree with what one hon. member to my left has said that if they are given the land free and they make good, that is to the advantage of Canada, and is much better than to settle the soldiers upon land encumbered with debt which they would give up after working upon it for a few years.

Mr. GRAYDON: May I ask a question of the Minister of Mines and Resources arising out of statements made by some hon. members and the minister's answer with respect to deductions from dependents' allowances. I shall be more moderate in what I say than the hon. member for Yorkton, but that, of course, is no reflection upon him. I should like to ask the government to review its position with regard to deduction from dependents' allowances, upon two grounds. First of all, in making the deduction the government is putting into operation a principle which is denied to private individuals. My understanding of the provisions is that no dependent's allowance can be garnisheed. It is judgment-proof. My understanding of the dependents' allowance provision is that they may not be garnisheed; they are judgment-proof, and in addition to that, the ordinary operations of law do not apply to the soldiers dependents' allowance. It seems to me, if that is the situation—and I am going on that assumption—the government is going a long way when it attempts to meet any governmental payment out of the dependents' allowance. The money is given to the dependents of soldiers serving in this war.

Might I also advance this suggestion? You are dealing here with veterans of two wars. You are dealing with the family of the man who served in the last war, and you are dealing with the same family where the head of that family is serving in this war. It seems to me that, if any evidence were really necessary on which to base a request to the government to review the situation again, this latter argument ought to hold water.

If the minister cares to reply, I should like some information, or at least an estimate, with regard to how many soldier settlers there are whose wives or dependents are being asked from time to time to share some of the burden out of their dependents' allowances.

Mr. CRERAR: I have the information here. There are 297 deductions being made.

Of these, 260 voluntarily asked that the reductions be made. My hon. friend the Minister of Pensions and National Health, who has a mathematical turn, tells me that that constitutes 87½ per cent. Within the total are only thirty-seven cases which might come within the strictures made by the hon. member for Acadia and the hon. member for Yorkton. These 260 people see the desirability and advantage of making a contribution from their allowances; they are interested in ultimately owning their homes and protecting them; and we give them every encouragement possible. Unfortunately all human beings are not made alike; all soldier settlers are not alike; but I venture to say that every one of those thirty-seven cases would be found to be within the category where they can well afford without hardship to make a contribution towards keeping their homes in good standing. I do not think it is any imposition to ask them to do it. If hon. members are interested in the matter, when the soldier settlement estimates are before the house at a later period I shall be glad to give particulars of every case and to leave it to the judgment of the house whether, in the words of the hon. member for Yorkton, they are being used in a "dastardly" fashion.

Mr. CRUICKSHANK: I understand that 260 are described as voluntary. Am I not correct in assuming that they were asked if they would voluntarily give this contribution? In certain cases they were.

Mr. CRERAR: In that particular case they were asked if they wished to help protect their homes in this manner, but no pressure at all was put upon them to make the contribution; it was merely suggested to them.

Mr. CRUICKSHANK: I am not entering into this discussion, because I think we are wasting time in talking this evening about after-war problems instead of preparing to win the war, but I do not think it is fair to speak of this as purely voluntary. I have seen some of these letters, and I would not call the arrangement exactly voluntary.

Mr. HAZEN: Did the committee who recommended the plan embodied in this bill, or did the government, give any consideration to settling these soldiers, when they return, in communities rather than putting one here, another two or three miles away, and yet another some distance from the others? It seems to me that there is land available, at least in some parts of this country, where community settlement could be put into effect, and I believe that it has much to recommend it. When you settle one man here and another some miles away, you restrict their opportunities of social life; you lessen the opportunities of providing a suitable education for their children, and you place them under other and great disadvantages. By bringing a group of them into a community you are able to obtain for them better schools, superior educational facilities, improve their opportunities for cooperation and give them better instruction from the government employees who have to serve all those farmers. It seems to me a matter which should be very carefully studied.

Mr. MACKENZIE (Vancouver Centre): This is merely an enabling bill. All kinds of suggestions were made to the committee of eighteen who discussed these proposals for eighteen months, and these and other proposals for community settlement will be placed before the special committee of this house which is to review the details of this bill, and will receive their careful consideration, although I must say that in my own province, it seems to me, after the last war, group settlements were not very successful.

Mr. HAZEN: I have here the *Votes and Proceedings* of February 16:

> Resolved that a select committee be set up to which shall be referred all matters relating to the settlement of veterans of the present war on the land in Canada.

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

Mr. NICHOLSON: Is this part of a comprehensive plan which seeks to reestablish all the men who are now in the services and, if so, why has agriculture been selected as an industry which should have $80,000,000 expended? At the end of the last war, farm prices were at a very high level; wheat had been selling at $2.50 a bushel, and it was apparent that there was going to be a market for farm products at fairly high prices for a long time, so that men anticipated, in going into this industry, that they would be able to pay for their investment and make a living. We now find ourselves in a period when agriculture is a depressed industry. Farm prices are at very low levels. A person must have a lot of confidence to anticipate that in the next few years there will be markets for unlimited quantities of agricultural products. Has the government considered what will be the effect of spending $80,000,000 in a depressed industry, upon the people who have been struggling for the last ten or even twenty years to meet their interest payments and taxes and remain on the land? It would seem to me that there are other industries in Can-

ada where these sums of money might be spent to better advantage. At the present moment we are experiencing a very serious shortage of steel. We are having difficulty in getting oil. I wonder why agriculture has been selected as the one industry to have such a large expenditure, and in which large numbers of men now in the service may look forward to finding employment and to repaying the amounts which they will receive under this legislation.

Mr. MACKENZIE (Vancouver Centre): Every point which my hon. friend has mentioned in his remarks was very carefully considered by the committee of eighteen. I do not know whether he has seen the names of the committee who have studied this question. When he says that we are spending money on land settlement alone, he is misinformed. A very moderate view of the order in council of October 1 is that there will be an obligation to this country of at least $100,000,000; the returned soldier will be trained for various types of industry; provision will be made for putting him back to insured employment, on a parity with the man who has stayed at home, in civilian industry, and there are various other benefits. After-war land settlement has required special legislation. This, I think, has been very very carefully considered and reviewed, and it is the hope that it will be not only of great benefit to those who can avail themselves of the opportunities provided under it, but to the national economy as a whole. I do not think the mere fact that prices are depressed at the moment will involve injury to the agricultural industry in the slightest degree. It may be a very good time to lay plans for the future and take advantage of the depressed prices which may prevail at the moment, for the future benefit of the soldier settler—of course, in conjunction with the civilian who is now on the land. There is no intention of injuring the person now on the land; rather, the object is to cooperate with the person now on the land for the benefit of the returned soldier.

Mr. BLACKMORE: I have listened with a great deal of interest to the minister's exposition of his plan. I believe he has done a very good job and that his ideas are commendable. I have just been wondering whether he has gone so far as to estimate the number of farmers that Canada really needs. I read the other day a statement concerning the United States to the effect that they had 30,000,000 farmers and they needed only 24,000,000. I am wondering whether there is any possibility of our getting more farmers than we really need. My interest in this question arises probably from the fact that I come from an agricultural constituency, and I have had reason to suspect that there were certain people in the government who were interested in destroying the farmers on the land, in displacing them by any means, torturing them to death if needs be. Perhaps these sound like bitter words, but no one who has been on the soil for forty years can come to any other conclusion when he sees the price structure which obtains at the present time through wide areas of agricultural lands. I am wondering whether the minister has really gone into that matter.

I think a good deal of care should be given to the question whether or not we shall be able to sell as much agricultural produce after the war as we are now selling. If we are not going to be able to sell more wool, for example, more beef, eggs and other agricultural products than we are now selling, and if we are now not producing anywhere nearly as much of these commodities as our present agricultural productive establishment can produce, then it seems to me that we are running a serious risk in very greatly increasing the number of our agricultural producers.

Let me hasten to say that I think there is no finer place in the world for men to be than on the land. There is no finer place to raise a family. There is no happier place to live in, provided conditions are such that one has a chance to make a living. But the minister will be one of the first to agree that those conditions do not obtain in Canada in the agricultural areas.

Unless we can see adequate reason for believing that after the war there will be a sufficiently greatly increased demand for our products to enable us to sell the output of many more farmers than we now have producing, I see no reason for optimism.

Then the question has been brought up once or twice—I merely refer to it here—of price. It would comfort me considerably if the minister or some of his colleagues would indicate to the committee, even by a word, that they see how in this country prices can be established and maintained so that the farmer can be guaranteed, over a period of five years, say, cost of production plus such profit as will enable him to live. The minister has not given any such indication. He may know, but he has certainly kept the secret very well.

Up to the present time our agricultural prices have depended in large measure on prices in world markets such as Liverpool and Chicago. The government are only recently beginning to realize that it must be made possible within the country to govern agricultural prices in the country indepen-

dently of world market conditions. The moment they begin to govern prices within the country, using only the devices which they now possess, they will place upon the economy of Canada burdens such as the economy will not long sustain. This is the reason for the question I propounded to the minister. I would be, with him, happy in contemplating a greatly increased number of farmers on the land, which I think his scheme will bring into being, if only we could settle the matter of prices. But I contended last year in vain for a price to be fixed on eggs until a certain date in 1942. We were unable then to do that, and the Minister of Agriculture rather scornfully cast a certain amount of aspersion on me because I was so foolish as to insist upon it. The principle is a very simple one. If we cannot establish prices which are fair and remunerative in connection with the various agricultural products, then the minister's whole land settlement scheme will simply blow up like a bubble, because the ability of any farmer whatsoever, soldier or civilian, to subsist on the farm will depend in large measure on his price.

If the minister can give us some idea as to whether or not we have more farmers in Canada than we need, whether he knows how we can maintain prices, whether he has any idea as to how we shall market the goods we produce so that in case we increase by one-third our egg production, butter production, beef or hog production or flax or sugar production—if he can give us some information in these matters, I shall be greatly comforted. If he cannot do so, probably we shall need to look upon his proposal with some restraint.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Tuesday, April 21, 1942

The house met at three o'clock.

COMPULSORY MILITARY SERVICE

EXCHANGE OF NOTES SETTING OUT RECIPROCAL ARRANGEMENTS BETWEEN CANADA AND THE UNITED STATES

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I should like to lay on the table of the house copies in English and French of an exchange of notes with the United States setting forth an agreement on compulsory military service.

There are three notes. There is the note of March 30 from Mr. Sumner Welles, Acting Secretary of State, to the Canadian Minister in Washington; the note of April 6, No. 222, from the Canadian Minister in Washington to the Acting Secretary of State, and the note of April 8 from the Acting Secretary of State to Mr. Wrong, chargé d'affaires in Washington.

The United States Selective Training and Service Act, when it was passed in the summer of 1940 applied only to United States citizens, and to aliens who had declared their intention of becoming United States citizens. The act was amended in December, 1941, after the entry of the United States into the war. One of the amendments which was then passed provided for the conscription of Canadians and of nationals of other co-belligerent countries who were resident in the United States, and who had not declared their intention of becoming United States citizens.

Thus, by last December all Canadians residing in the United States became subject to compulsory service on the same basis as the United States citizens. Subsequent to the passage of this legislation the United States informed us that they would be willing to permit some of these Canadians to elect to serve in the armed forces of Canada, in lieu of service in the armed forces of the United States. The United States offer applied to non-declarant Canadians—that is to say, to Canadians who had not declared their intention of becoming United States citizens. We gladly accepted this offer, since we agreed with the United States that the united war effort of our countries would be strengthened if Canadians in the United States who had not yet given evidence of their desire to make the United States their permanent home were given an opportunity to fight in the armed forces of their own country and under their own flag, instead of fighting in the armed forces of the United States.

The agreement is reciprocal in every respect. If United States citizens, in Canada should in future be made liable to compulsory military service in the Canadian armed forces they will be given exactly the same privileges as Canadians in the United States are being given by the United States government.

The United States government has also, by the exchange of notes, declared that it is agreeable to the Canadian government imposing on United States citizens residing in Canada a liability to compulsory military service.

It might be a convenience to hon. members if this exchange of notes were printed in the *Votes and Proceedings* of the house. They will be printed a little later in a series of

documents published by the Department of External Affairs, but it may be some time before that series is published.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 57, for the relief of Mary Celina Broadhurst LaRose.—Mr. Macdonald (Brantford City).

Bill No. 58, for the relief of Elsie Epstein Cohen.—Mr. Casselman (Grenville-Dundas).

Bill No. 59, for the relief of Gertrude Pelletier Patenaude.—Mr. Boucher.

Bill No. 60, for the relief of Marieatt Venditello Diano.—Mr. Gray.

Bill No. 61, for the relief of Edna Annie Heazle Constable.—Mr. Boucher.

Bill No. 62, for the relief of Dorothy Reed Cushing.—Mr. Boucher.

Bill No. 63, for the relief of Sarto Desnoyers.—Mr. Bercovitch.

PACIFIC WAR COUNCIL

MEETINGS IN WASHINGTON—CANADIAN REPRESENTATION

On the orders of the day:

Mr. H. C. GREEN (Vancouver South): I should like to ask the Prime Minister whether he will make a statement at an early date concerning the Pacific council which was set up at Washington subsequent to the adjournment of this house on March 27.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, the only statement that I would be at liberty to make is one which I think I might make immediately. As my hon. friend knows, the Pacific war council was set up about three weeks ago. The meeting which was held on Wednesday of last week, and which I was invited by the President to attend, was the third meeting the council has held. The meeting of the war council was presided over by the President, and its proceedings were similar to the proceedings of a cabinet. I would not be at liberty myself to state what subjects were discussed or what conclusions were reached; any statement to be given out with respect to the proceedings of the council would be given out by the President. I understand that no announcement has been made of that particular day's proceedings or of the proceedings of the two previous meetings of the council.

The discussions, as would be obvious, related to war matters pertaining to the Pacific. No public intimation could be given of what was discussed because anything given to the public would be given equally to the enemy. At the meeting which I attended there were present Sir Ronald Campbell, minister for the United Kingdom; Mr. Loudon, minister in the United States representing the Netherlands; Doctor Soong, representing China; Doctor Evatt, Minister for Foreign Affairs of Australia, who represented Australia, and the Hon. Mr. Nash, representing New Zealand.

I understand that meetings of the council will be held more or less regularly every week. I believe it will be in the interests of the proceedings of the council that for the most part the same persons should represent the different countries at the respective meetings in order that they may be more familiar with the matters being discussed. I do not know that there is more that I can say at the moment, unless my hon. friend has some specific question to ask.

Mr. GREEN: Who will be representing Canada?

Mr. MACKENZIE KING: Our minister at Washington, Mr. Leighton McCarthy, will represent Canada at the meetings. Mr. McCarthy was not in Washington at the time of the first meeting. Mr. Hume Wrong, the counsellor of the legation, represented Canada on that occasion. At the second meeting Mr. McCarthy represented Canada. For reasons that will be obvious it has not been thought advisable that more than one person representing any country should be present at a meeting. If there were more than one representative of any country present, it might create embarrassment with respect to the representation of some of the other countries.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, may I follow up that question? As the other dominions and countries are represented on the council by men who have had experience in the government of their country, does not the Prime Minister think that Canada should be represented by someone other than a high commissioner, someone who has had experience in the government of this country, a man of ministerial status?

Mr. MACKENZIE KING: Canada has not a high commissioner at Washington, but is represented by the Canadian minister to Washington.

I would say, as regards the present minister to Washington, that, as my hon. friend is no doubt aware, Mr. McCarthy was for many years a foremost member of this House of Commons. While he has not been a member of the government of Canada he has had wide parliamentary experience. Canada is exceedingly fortunate in having one of Mr. McCarthy's exceptional attainments to represent our country at Washington and in having

him represent Canada at the meetings of the Pacific war council. I would also say that I think Mr. Hume Wrong, while he has not been in parliament, has had exceptional experience in diplomatic work in different countries and is exceedingly well qualified to represent Canada on any board or council such as the Pacific council. I would not feel that previous cabinet experience would necessarily be an essential qualification. It no doubt would be helpful inasmuch as the proceedings of the Pacific war council are carried on very much as proceedings would be in any cabinet. The personal qualifications of the representative would count for a great deal, I think, in respect of the effectiveness of his service.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, may I ask the Prime Minister a further question? What relation has the Pacific conference which was established in London a month ago, representing certain countries, with Canada excepted, to the Pacific council at Washington, with Canada included? Will the London conference have to report to the Washington council, and will there have to be an exchange of notes before we can have any defence in the Pacific? What is the relation between the body in London and the one in Washington?

Mr. MACKENZIE KING: My hon. friend will recall I had some difficulty, when I was asked at an earlier stage of the session a question with respect to a Pacific war council in Washington, to say whether Canada would be represented on that council. My difficulty arose from the fact that a Pacific war council was formed in London, England, in the first instance, and at that time it was not certain whether a Pacific war council would ultimately be also formed in Washington. The council which was first set up in London was a gathering of the representatives of certain Pacific countries which were immediately involved in the operations in the southeast Pacific, brought together at the instance of the Prime Minister of Great Britain. At the present time provision has been made for the meeting from time to time in London of this counterpart of the Pacific council which meets in Washington. Canada will continue to be represented on that body by the high commissioner. For the present it has been thought advisable to have the council dealing with Pacific affairs meet regularly in Washington rather than in London. The whole matter of the study of conditions in the Pacific has had to take shape more or less in accordance with the manner in which events have helped to shape it.

Mr. CHURCH: Will not the London conference have to report to Washington first? And in the meantime Japan may take action in the Pacific, as we have lost control of the sea in the Pacific.

Mr. MACKENZIE KING: As my hon. friend knows, there is a combined strategy with which certain of the heads of the defence forces are concerned in London and also in Washington, and communications pass continuously between the two. There are bodies which exist alike in London and in Washington which have to do with questions that arise out of decisions with respect to strategy; but the fact that one exists in the one country and the other in the other does not mean that either is subordinate to the other. It is part of the arrangement under which the present war is being carried on, on behalf of the United Nations and which recognizes at the head as the combined command, the Prime Minister of Great Britain and the President of the United States.

Mr. CHURCH: In other words, we are to depend on Washington instead of London for defence in the Pacific.

THE PLEBISCITE

INQUIRY AS TO ADVERTISING FOR AN AFFIRMATIVE VOTE

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, I would ask a question of the Secretary of State or some other member of the government in respect to advertising for an affirmative vote on the plebiscite. Is the government or any department of the government sponsoring free advertising for the plebiscite? I am prompted to ask this because I have received a copy of the Campbellton *Graphic* of April 16, carrying a full-page advertisement signed by the Minister of Fisheries (Mr. Michaud), and upon it appears the coat of arms of Canada. I wonder if the government is doing any advertising on a national scale or on a constituency scale with respect to the plebiscite. I should like to know just what the position is. I had to pay for the advertising that was done in my own constituency, and if I had to do that, I assumed that others did.

Hon. N. A. McLARTY (Secretary of State): I think I can best answer the leader of the opposition by saying that the chief electoral officer has put in each newspaper in Canada an advertisement of the proclamation calling for the plebiscite, giving the date of the plebiscite, the time of the plebiscite, and other particulars. The government has not spent any money on any advertising for the plebiscite so far as I am aware—certainly the plebiscite committee has not—in so far

as it asks any elector to vote "yes" or "no". We are spending some money in advertisements which I believe are quite modest, asking the electors to get out and vote.

Mr. HOMUTH: Too modest.

Mr. McLARTY: Perhaps too modest, but we did not wish to be extravagant. The advertisements merely ask the people to vote on the plebiscite.

Hon. J. E. MICHAUD (Minister of Fisheries): Mr. Speaker, may I say in regard to any advertising that may have appeared in any newspaper in this country over my signature or printed at my request, that it is going to be paid for by myself. If the coat of arms appeared in one advertisement—I have not seen it—I presume that was due to the loyalty of the printers. I am not responsible for having the coat of arms printed alongside the advertisement which I requested them to print.

QUESTION AS TO SPECIAL GASOLINE RATION ON VOTING DAY

On the orders of the day:

Mr. G. A. McLEAN (Simcoe East): I should like to ask the Minister of Munitions and Supply if it is the intention to have a special ration of gasoline issued for the plebiscite day?

Hon. C. D. HOWE (Minister of Munitions and Supply): Consideration has been given to this matter. Is is obvious, to all those who are familiar with the situation, that to make any special provision for gasoline for the plebiscite day is quite impossible. The only notice which has appeared in the press on this matter was a quotation from a speech of the leader of the opposition (Mr. Hanson). Repercussions from the oil administrator of the United States followed immediately; I believe the oil controller had a telephone message at noon next day.

The situation is that Canada is very heavily dependent upon the United States, not only for petroleum, but for the transportation of petroleum. All of us who read the newspapers know that the sinking of tankers has been extremely heavy, and our Canadian fleet has suffered along with the rest. Under these circumstances I think it would be a negation of the purpose of the plebiscite to provide additional gasoline for bringing out the vote.

When speaking in my own riding, I asked my constituents to give as freely of their gasoline as they were giving of their time. I got a very favourable response. I believe that all those who have an appreciation of the importance of the plebiscite will gladly provide the gasoline required, not only to convey themselves to the poll, but also to assist others who would be unable otherwise to cast their votes.

Hon. R. B. HANSON (Leader of the Opposition): I regret the decision. I hope that the expectation of the minister with respect to the voluntary surrender of coupons for use on plebiscite day will be met. I made the announcement to which he refers as having had repercussions, simply upon a message which I received from one of the minister's secretaries that the matter was under consideration: that was as far as I ever went. I was hopeful that a formula might be adopted which would give some leeway in the use of gasoline on that day, because in the rural parts of the country it is going to be very difficult to get gasoline for the transportation of voters to the polls, and I do not think that they will walk.

LABOUR CONDITIONS

SHIPBUILDING—STRIKES AT MIDLAND AND KINGSTON

On the orders of the day:

Mr. J. W. NOSEWORTHY (York South): I should like to direct a question to the Minister of Labour as a result of two telegrams I have received this morning from the Midland shipyards. First, will the minister tell us what is the cause of the dispute at the shipbuilding plants in Midland and Kingston; and, second, what action is being taken to settle it?

Hon. HUMPHREY MITCHELL (Minister of Labour): The hon. gentleman did not give me any notice of the question. In the first place, the strike at Midland was called without any knowledge of the department; it was called because a man was demoted and then laid off. A conciliation officer was sent in there, and an agreement was arrived at with the company that the man would be given his job back, and that the men could return to work without discrimination. It was pointed out to them prior to that that the strike was illegal. Following that they placed further demands before the company. The department took the position it always takes in the case of an illegal strike: first of all the men must return to work. The next step was the calling of a sympathetic strike at Kingston in support of the Midland workers who went on strike because this one man was laid off. I would say this about Kingston: they had an agreement with the company under which all disputes would be submitted to a tribunal of employers and em-

ployees. Notwithstanding that, and the fact that they were told it was illegal to strike, they went on strike. Now the position taken by the department is that the question is no longer one for us to deal with; it is a question for the Department of Justice. I would like to say this, though: it would be just too bad if the men who go down to the sea in ships, in corvettes, went on strike because a man was demoted.

NEW ZEALAND

APPOINTMENT OF HON. FRANK LANGSTONE AS HIGH COMMISSIONER IN CANADA

Right Hon. W. L. MACKENZIE KING (Prime Minister): The house will be pleased, I am sure, to know that this morning, at Wellington, the Prime Minister of New Zealand announced that the Hon. Frank Langstone has been appointed to represent New Zealand in Canada as high commissioner in this country. Mr. Langstone has had an important public career, having served in the House of Representatives of New Zealand, also having been Minister of Lands and Native Affairs in his own country. He is also well known to a number of our citizens, having visited Canada last year in connection with obtaining essential munitions and equipment for New Zealand. I should like to say how welcome Mr. Langstone's appointment to Ottawa as high commissioner of New Zealand will be by both the government and the people of Canada.

With Mr. Langstone's appointment we will now have in Ottawa high commissioners from all the self-governing parts of the British empire, just as Canada is represented in all parts of the British empire by our high commissioners.

Mr. COLDWELL: Are we to be represented in New Zealand?

Mr. MACKENZIE KING: We have been for the last two years, by Doctor W. A. Riddell.

CANADIAN ARMY

EMBARKATION INCIDENT AT AN EASTERN CANADIAN PORT

On the orders of the day:

Mr. D. KING HAZEN (St. John-Albert): I should like to address a question to the Minister of National Defence. A bulletin was posted to-day in front of a local newspaper office to the effect that 400 soldiers left a ship at an eastern Canadian port, and that 135 of those soldiers had missed the vessel when it sailed. Would the minister care to make a statement to the house about this occurrence? If that bulletin was posted following a statement issued by the Minister of National Defence, would he tell us why a statement is issued to the public before the members of this house are informed of the occurrence?

Hon. J. L. RALSTON (Minister of National Defence): Answering the last question first, Mr. Speaker, I do not agree that each statement issued from the Department of National Defence must necessarily be communicated first to the House of Commons. The statement was issued as soon as it was possible to issue it after the safe arrival of that particular convoy, and it was given to the press. As a matter of fact it was issued this morning and communicated to the press for the afternoon papers. I know it has been suggested here from time to time that no statements should be made to the press unless they have first been made here.

Mr. HANSON (York-Sunbury): No—on matters of policy, not factual matters.

Mr. RALSTON: I am glad to hear my hon. friend say that, because I am sure the House of Commons is not to be regarded as a bulletin board, where a department has to make statements in the house in regard to matters of detail or administration which are ordinarily published in the papers. That is the answer to my hon. friend's second question.

Answering the first question, I am sorry I have not before me at the moment the statement which was issued to the press. Briefly, about 400 men walked off the ship at Halifax at the time of embarkation, and about 135 had not returned or did not get back to the pier in time to be embarked. The situation, as set out in the statement, was that the ship arrived very much later than she was expected. The time for disembarking those who were on the ship, for loading provisions—and by the way, they were to load eight weeks' provisions plus an additional twelve days' provisions—for cleaning the ship and for loading personnel to go on the ship, was cut to about half of the normal time. The result was some confusion, and some dissatisfaction, particularly with the condition of the ship and the rations. A special party was put on to make conditions as livable and comfortable as possible and I think that every step possible was taken to make the situation as agreeable as it could be under the circumstances. But there is no doubt in my mind that the ship was not in as good condition as is normally the case with troop-ships. As a matter of fact, the embarkation officials examined the ship and, after their examination, determined that the number to be carried on it should be reduced by about 20 per cent from the number

which had been carried on her inward voyage; and notwithstanding that, these men walked off the ship as a protest against conditions in connection with the ship itself and with regard to rations. Many of them came back. Some of them were rounded up. All but 135 sailed on the ship and of that number some came back voluntarily and some were rounded up. They got back to the ship too late. She was in the stream. She had weighed anchor and they were too late to go on board. Disciplinary action has been taken with regard to them. I have no doubt from the information I have received that they were led astray by a few ringleaders, and these ringleaders are being specially dealt with. It is obvious that the situation was such that their action could not be condoned. It was not a case where men could take the situation into their own hands, and it would be manifestly unfair to the vast proportion of the men who embarked on the ship and who are now safely overseas.

I read further from the statement which has just been handed to me. Generally speaking, those who disobeyed orders expressed their disappointment and regret when they got to the dock and found the ship had gone. They had been warned that the ship would sail but they believed they had time to go ashore for a final fling before embarking. Conditions on board troop-ships are often cramped and not too comfortable, but the tens of thousands of Canadian soldiers who have gone overseas have recognized how necessary it is to utilize all available shipping and have put up with whatever discomforts there were as part of the day's work.

The difficulties were increased by the fact that the contingent which sailed on this ship was made up of no less than sixty-nine different reinforcing detachments and they therefore could not be organized and closely controlled in the same way as complete units would have been.

We are putting our views very clearly before the United Kingdom authorities in order to prevent a recurrence of conditions so far as transports are concerned. At the same time we are making certain changes in the embarkation and troop conducting system with particular reference to troops which are not in organized units. I can say definitely that corrective action is being taken. I am confident that there should be no excuse for a repetition of this isolated incident which in the absence of explanation might have reflected on the good name of Canadian soldiers.

[Mr. Ralston.]

BUSINESS OF THE HOUSE

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): It is understood that the first order will be No. 5, under government orders, continuing the discussion on the resolution of the Minister of Pensions and National Health (Mr. Mackenzie), and the next order will be No. 12 on the order paper, respecting provision with regard to insurance of property against war risks and payment of compensation for war damage. It is in the name of the Minister of Finance (Mr. Ilsley). It is then proposed to take up item No. 7 on the order paper, for the house to consider in committee of the whole the resolution with respect to the two billion dollars to be granted His Majesty towards defraying expenses of the war. In order to avoid repetition and to expedite progress, it is proposed that when we reach the war appropriation measure we shall deal with departments in the following order: (1) The Department of National Defence; (2) National Defence for Naval Services; (3) National Defence for Air; (4) the Department of Munitions and Supply; (5) the Department of National War Services. In the course of the discussion the Minister of Finance may wish to make some statement on subsidies. With that exception it is intended to proceed continuously with the discussion of that resolution when it is brought down.

Mr. GREEN: There are several other departments which are concerned with the war appropriation bill. Is it intended that they shall be discussed en bloc after the ones enumerated are dealt with?

Mr. MACKENZIE KING: The departments I have named are the ones which I imagine will occasion most of the discussion. I have mentioned them in order, so as to prevent overlapping in the discussion of the subjects that may come up. It is understood of course that all other departments concerned directly or indirectly can be discussed immediately after the conclusion of those I have mentioned.

VETERANS' LAND ACT

PROVISION FOR SETTLEMENT ON THE LAND OF VETERANS OF THE PRESENT WAR

The house resumed, from Monday, April 20, consideration in committee of the following resolution—Mr. Mackenzie (Vancouver Centre) —Mr. Vien in the chair:

That it is expedient to introduce a measure to make provision for the settlement on the land of veterans of the present war, to prescribe the terms of such settlement and to grant a

measure of financial assistance to such settlers, and further for the appointment of a director, of officers and other employees in connection therewith.

Mr. GREEN: In making his statement last night the minister said that the new settlement bill would provide for assistance to men who wish to take up small holdings and who would be earning at least a portion of their income in some other way than by farming. I wonder if he would amplify that statement. For example, will the bill cover those men who wish to take up an acre or two outside our cities or towns? In recent years there has been some movement in that direction and I think that if the bill is made broad enough to cover that particular class of soldier it might be very helpful in improving conditions which have existed in our cities throughout the depression years.

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health): The answer is yes. The bill is much more flexible in that regard than the old Soldier Settlement Act, but it is intended to have possibly a qualifications committee set up to deal with small holdings and with the question whether men might be self-sustaining or whether there might be supplementary wages earned in the cities or small towns.

Mr. GREEN: Is it intended to cover only the exceptional case, or will there be many thousands of such cases?

Mr. MACKENZIE (Vancouver Centre): It is contemplated as a definite policy under the proposed bill.

Mr. HANSON (York-Sunbury): That is to say, small allotments are to be made to those who may not be farmers and they would cover the chicken farmer, the man who lives on the outskirts of a community and works in the city.

Mr. MACKENZIE (Vancouver Centre): Provided it is buttressed by employment opportunity. Otherwise it might not be economical.

Mr. HANSON (York-Sunbury): If he had employment, that would be a condition precedent.

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. HANSON (York-Sunbury): What are the buttresses to which the minister has just referred as being prerequisite to assistance under this scheme?

Mr. MACKENZIE (Vancouver Centre): In regard to the small holdings, the buttress would be reasonable assurance of employment opportunity within a reasonable distance of the holding.

Mr. WRIGHT: Is it intended to have small holdings adjacent only to industrial areas, or will they also be established in places adjacent to the cities of western Canada?

Mr. MACKENZIE (Vancouver Centre): I understand it is the intention to have them in the vicinity of industrial areas where there would be reasonable assurance of employment opportunity.

Mr. HANSON (York-Sunbury): I regret that the exigencies of the occasion—I think that is a good phrase—compelled me to leave the chamber last evening before the minister had completed his statement.

Mr. MACDONALD (Brantford City): You were rendering very good service.

Mr. HANSON (York-Sunbury): I hope so; I am not always the best judge of my own efforts. I should like to express my thanks to the minister for the courtesy he extended to me in sending some time ago a review of the remarks which he made last night. I am interested in this question of land settlement. I am not at all sure that it will be a success; I have grave doubts, for various reasons. I am not going to pour cold water on the scheme; I hope it may be a success. But undoubtedly its success or failure will depend in large measure on the management, the character of the men who undertake obligations under the scheme, and the direction given to the men.

One of the first requisites for a land settlement scheme in respect of farming is that the applicant must have a genuine love of the soil. It is no good to put a man on a farm unless his heart is in it. Many of the men from the cities and towns in the old country who were brought out here under land settlement schemes had no knowledge of conditions in this country and had no real love of the soil. That I think is the first requisite for the successful operation of any scheme of this kind.

The second requisite is some knowledge of farming. I am speaking of those who will become genuine farmers. I want to impress upon the minister and upon his officials who are to operate this legislation, that a man cannot be put upon a farm and achieve success unless he has some knowledge of the work. The officials who are supervising should make very certain that the applicant has a knowledge of the vocation which he intends to attempt.

A third requisite is that no scheme of land settlement for farms should be undertaken with public funds unless the conditions are such that a man may have reasonable expectation of success. I know something about the soldier settlement scheme. It was started as a result of a public demand. Canada had vast

open spaces, large areas of crown land available for settlement. The scheme was meant to operate for the most part in western Canada where land was still available for settlement, and it was subject to conditions then existing which to my mind doomed it to failure almost from the beginning. I am not familiar with the situation in the west, but in the east there was failure because of inflated values. The minister referred to that last night. But that was not by any means the only cause of failure. One of the chief causes was the failure of the administrative staff—I do not remember who they were, and at the moment it is not important—to see to it that the proper farms were purchased.

One member I heard to-day discussing this matter said that on some of the farms sold to returned soldiers they could step from one stump to the other. I can recall farms in my own province where the returned soldier could almost leap from one rock-pile to the other; from the very beginning he could not hope to scratch a living out of the soil under the conditions that obtained. Therefore a very great deal depends upon the skill and ability and judgment of those who are administering the scheme. The success or failure of the scheme so far as land settlement is concerned will depend in large measure upon the ability of those administering it and their exercise of proper judgment.

An interesting question was raised last night by the hon. member for Lethbridge as to whether we required more farmers in this country. I have my own view. I have never thought that a nation like Canada could have too much agricultural production. If we do not produce we shall never get anywhere. In my own province the lack of success of farmers is due to lack of quality production. The farmers of New Brunswick are not producing enough to feed our own population. Yet in many respects their plight is pitiable. It is a sad admission to make, but I think it is true largely of the maritime provinces generally—I could except Prince Edward Island, of course, because I believe in certain lines it produces enough to feed its people. But we have continuously the spectacle of foodstuffs being brought in by the carload from Ontario, meat products especially. That should not be. I am glad to be able to say there is a movement in that province now for greater meat production, sponsored I understand by the superintendent of the experimental station at Fredericton, who is very much alive to the situation. But the reason for the lack of production in New Brunswick is that for years farming in that province, and in various parts of the maritime provinces as well as elsewhere, has not been profitable.

[Mr. R. B. Hanson.]

Until it can be demonstrated that men can go on the land and make a reasonable living I do not think the scheme should be encouraged too much. What inducement is there to put a man on a farm in western Canada to raise wheat? Let us take the classic case, because we hear more in this house about that than anything else. I do not think anyone should be encouraged to buy a wheat farm in western Canada under this scheme until conditions are different from what they are to-day. We might produce more dairy products in this country if we established the necessity for them, and dairy products are in very good demand at the moment. We should encourage the production of more wool. And by the way, without wanting to start a discussion I should like to put this query to the Minister of Finance. Why is it that under the price ceiling the price of wool has been fixed at 25 cents a pound while just across the line it is 41 cents, a difference of about 70 per cent?

Mr. ILSLEY: I suppose that was the price prevailing in the base period.

Mr. HANSON (York-Sunbury): It shows the inequity of the scheme.

Mr. ILSLEY: It does not show anything of the kind.

Mr. HANSON (York-Sunbury): Well, we shall have to differ for the present. I did not intend to get into a discussion of that.

Mr. MACDONALD (Brantford City): The difference in price will increase until they have a price ceiling in the states.

Mr. HANSON (York-Sunbury): Well, we cannot legislate for them, and I am not going into that at the moment. But 25 cents a pound for wool is inadequate, having regard to the present demand for wool in this country. I am going to leave it at that. There are various lines of agricultural endeavour which could be made profitable to the farmer if he were allowed to have a little free scope. I suggest to the Minister of Agriculture that it is his duty—and I think perhaps he is already aware of that, and has been endeavouring to give effect to it—to see that the agricultural producer in this country gets a fair return, having regard to all the circumstances, and the conditions which confront this nation to-day. I am sure he is not unmindful of the position and will not be derelict in his duty, in so far as he has the power to produce that result.

I could speak with respect to the potato farmers in my own province who operate at a loss three seasons out of four and who, in the fourth season when they have a chance to operate at a profit, are met by this ceiling. No floor, may I add, is put under them.

All these things work inequalities which are not conducive to settling the land or to greater production from the land. There are certain aspects of the scheme which are quite commendable, and there are certain others which I query: I have not lived on the land, but for forty years in my own constituency I have been very close to it. I believe I can say I have as much money invested in the land in my own community as any other individual in that community. At all times I have tried my utmost, and always with great difficulty, to keep people on the land.

When this scheme is crystallized into legislation and becomes operative, I suggest the greatest care should be exercised in its operation. Do not let us have any stampede of men to go on the land because of an attractive offer—and I do not deny that from a financial point of view the offer is attractive. The state is making a substantial contribution, to which I raise no objection. I am not objecting to anything which may be done for the reestablishment of returned soldiers. But the element of selectivity must be exercised. A man's own conception of his abilities may not be the best one. A disinterested judgment by those who are competent to judge is essential. I hope there will be no great rush to buy land on which to settle farmers unless certain prerequisites are determined by the department.

I have tried to lay down only three of these prerequisites, and I believe they are sound. By the way, I notice this scheme is not to be administered by the minister. Perhaps he is to be congratulated upon getting out from under so far as the actual administration is concerned. I should hope that his colleague who is to administer the act, under a single director, will at least read my remarks, and perhaps act on them.

No one should be put on the land simply because he wants to be there. He must have a love of the soil and must know something about farming. Before he is allowed to go on the land there should be reasonable probability of his making a success. This country should not be buying land for men who will not succeed or who will not work. Let it be understood that the fact that the government is handling it is not the important factor. A man must be prepared to work, just as you and I have had to work, and as we will have to work for the rest of our days.

I wish this scheme well. I should like to see everything possible done for the reestablishment of the soldiers, but I certainly advise great caution. First I would say to the director: Beware of the land shark who will sell you farms for a consideration. Eliminate them, if you can, and deal directly with the owner. One great defect in the last scheme was indicated by the fact that a soldier who was the son of a farmer would apply for land and would wind up by buying his father's farm. That must be avoided, at all costs. The soldier would get the farm, under the agreement; his father had the money, and the farm was sold to the government.

Mr. MACDONALD (Brantford City): And the father died and left the money to the son.

Mr. HANSON (York-Sunbury): Yes, sometimes he did and sometimes he did not. But it was a sale to the government under the guise of soldier settlement. I hope that did not happen often, but I remember one outstanding case in my own community which I deplored. Had I had anything to say in the matter I would have felt I had the right to interfere, but I had neither the authority nor the responsibility to interfere in that instance. Such are the pitfalls I ask the department to avoid. I have no doubt the department is fully aware of all these difficulties, and that these are matters which have come within their experience during the last twenty or twenty-five years.

Before taking my seat I make one more appeal to the Minister of Agriculture to see if something cannot be done for the general agricultural producers to the end that these price levels, which in many cases are uneven, may be made more equitable.

Mr. SISSONS: I desire to express my support of this resolution, and to say at the outset that I do not share the pessimism expressed by some hon. members. In my view a plan for soldier settlement on the land after the war is both desirable and in every way necessary, and is to the advantage not only of the returned soldiers but of Canada as a whole.

My remarks will deal chiefly with only one phase of the situation, namely, settlement in the area with which I am best acquainted and which is represented in this chamber by the hon. member for Cariboo and myself. Before dealing with any particular aspect of the matter, however, I should like to make a few general observations.

I am quite well aware that there are many difficulties confronting any settlement scheme. There is no doubt that western Canada's landscape is strewn with the wreckage of settlement schemes which have failed. Following the last war soldier settlement was not the success it might have been, but

neither was it the great failure some hon. members would have us believe. So far as western Canada is concerned I believe it will be found that the number of soldier settler failures compared favourably with the number of failures of ordinary settlers.

We have heard the argument that because the farmer of to-day cannot make a living it is useless to put more settlers on the land. In this argument there is of course some merit. But surely if we can predict anything we can predict that we are going to win this war, and that in that victory there will be something new which will mean a better day for agriculture. I believe this resolution is predicated on two things, the winning of the war and a new day for agriculture following that victory.

I agree with the leader of the opposition (Mr. Hanson) when he says that those who will be responsible for this legislation will have to exercise a tremendous amount of care. I was impressed by what he said about the type of man who should come under this legislation. I was struck particularly by his phrase "love of the soil". I think that phrase embodies a principle that should be followed. I do not think it is sufficient that the returned man was on a farm before he went overseas. I do not think it is sufficient that a certain amount of training may be given. I agree that both these things are necessary, but there must be something more. There has to be what we might describe as a temper for farm life.

I should like to give the committee a few interesting figures from an analysis made by Professor Dawson and Professor Murchie of field studies in the Peace River country in the years 1929 and 1930. They examined some 332 farmers who were located on different types of farms. Some were in well-settled areas, others in the homestead areas, and others in the in-between areas. Of those 332 farmers, 28 per cent had worked only at farming while 72 per cent had been engaged in other pursuits. Of the 332, 81·6 per cent were born on farms and 18·4 per cent were born in towns or cities. Twenty-five per cent had no previous agricultural experience, while 75 per cent had had one or more years' agricultural experience. Of the 75 per cent who had had some agricultural experience, 50 per cent had had from one to nine years' farm training; 32 per cent had had training of from ten to nineteen years, and 18 per cent had had twenty years or more of training.

They examined twenty farmers who had the highest farm labour income. Of the twenty, five had been farmers all their lives and fifteen had spent some part of their lives in other gainful occupations. Then they examined twenty farmers who had the lowest farm labour income, and the same thing applied there; five of them had been farmers all their lives and fifteen had been engaged in other gainful occupations for part of their lives. Again they took the experienced farmers and of those in the highest group it was found that they had an average of nineteen years' farming experience, but those in the lowest group had had an average of twenty-one years' farming experience.

I give these figures in order to make this point: one cannot be dogmatic as to what qualifications or what attributes an applicant should possess. It is not enough to say that he must have been a farmer in the past, or that he must have farming experience. While that principle should be kept in mind, there is a greater principle; as the leader of the opposition has said, the applicant must have a love of the land; he must have a temper for farm life.

Another question is the initial capital that a soldier settler should have. We know that in the scheme following the last war he had an indebtedness amounting to 90 per cent, or in some cases 100 per cent, of the value of his property. Inflated values prevailed at that time. It is quite evident that one poor season would wipe out any equity in the property. From the statement of the minister I take it that under this scheme he will have an equity at the start of at least 50 per cent. That is the amount of equity which the mortgage companies require before granting a mortgage, and it is the amount of equity required by the Canadian farm loan board. It seems to me that in that regard he should be placed in a much more favourable position than the soldier settler after the last war.

The leader of the opposition made reference to administration, and I do not think he stressed that point too strongly. There were weaknesses in the administration of the soldier settlement scheme following the last war, but personally I have a great deal of confidence that the present director of soldier settlement, Mr. Murchison, and the very able supervisors he has now—I am fairly well acquainted with these men in my own province—will make a success of this matter. They know their work, they know their settlers, and there is every reason to expect that they will make a success of it so far as administration is concerned.

I come now to a phase of the matter in which I am particularly interested, that is, the question of new land versus old land. I realize that of necessity most of the land acquired for these soldier settlers will be acquired from private owners. I suggest that

there are several disadvantages in that. One disadvantage is that you will be buying land from farmers who are now operating, thus putting them on the labour market or into the field as competitive purchasers of other land. However, there is another angle; you may be purchasing land from farmers who because of advanced years are no longer efficient producers. Such land purchases would be all to the good. A great deal of caution will have to be exercised in the purchase of land from private owners. The land may be marginal or submarginal land; it may be overrun with weeds or generally run down. The leader of the opposition emphasized another disadvantage. These purchases are likely to cause speculation in farm lands and raise the purchase price of these lands far above their productive value.

Coming from the Peace River district, I am naturally interested in the frontier. I feel that a large number of these returned soldiers will inevitably seek the frontier. History will repeat itself. The Peace River country was settled largely after the last war, and returned soldiers played a great part in the settlement of that country. Probably the majority of these men were not under the soldier settlement scheme, and to-day these soldiers form the backbone of the Peace River country. Between 4,000 and 5,000 of their sons have enlisted, out of a total population of some 60,000. I believe this constitutes a record for the dominion. These 4,000 or 5,000 young men are either overseas or serving in Canada, and every one of them is a salesman for the Peace River country. When they come back they will desire to settle on the land, and they will bring a lot of friends with them.

The building of the Alaska highway is directing new attention to the Peace River country. A large number of United States soldiers are working on that highway and have passed through this country. I am told that a great many of them are keenly interested in settling in the Peace River country after the war. If we are not going to settle this vacant land with our own soldiers, I do not see how in the world we can prevent a large number of returned United States veterans from going there and taking up land. There is in this country the only agricultural frontier remaining unsettled in Canada.

The report of the Rowell-Sirois commission estimates that there are still available 16,000,000 acres of arable land in western Canada, the greater part of it in the Peace River country. This may be an underestimate, but it is probably pretty nearly correct. That land is in part first-class prairie soil, and first-class or second-class wooded soils which will require clearing. The colony at Tupper Creek has shown that the only way to clear that wooded soil is by mechanical equipment, with which you can clear one or two hundred acres at a time, and that is what will have to be done if that land is to be made available for settlement. This land is not particularly adapted to the growing of wheat, but it is particularly adapted to mixed farming.

There is available in the Peace River country an area which can take care of a large number of returned soldier settlers. I feel that it could take care of all the 25,000 soldier settlers which this measure contemplates, and I think the minister and the department would be very well advised to make this Peace River country the spearhead of their whole settlement policy. You must have some spearhead which will sell this policy not only to the returned men but to the people of Canada. So far as the Peace River country is concerned that territory has already through the years been sold to the people. It has been sold to this house since the days of Hon. Frank Oliver, who spoke here on its behalf. It has been sold to this house by Mr. Kennedy, a former member, and by Mr. Pelletier, my immediate predecessor, representing the constituency of Peace River. It has been sold to this house by other members such as the member for Cariboo, the member for Athabaska, the member for Skeena, the member for Chambly-Rouville, the member for Vancouver-Burrard, the member for New Westminster, and more recently by the member for Davenport, who visited the Peace River country last summer. He came, he saw, he was conquered, and he is coming back again. None of the things which these members have told this house of the Peace River country in times past has been an exaggeration. Here are some of the things which the Minister of Pensions and National Health said about that territory. He referred to it as "that Peace River empire"—"that marvellous territory, tremendously rich in resources"—"the last great undeveloped portion of this dominion, that splendid northland"—"what is in very essence and very truth a valuable empire in itself." And the Prime Minister has referred to it in these words: "The Peace River country is amongst the richest in Canada"—"a great tract of land crying out for development."

It has the soil, the climate and the sunlight. Nine times in the last fifteen years the Peace River country has brought the wheat championship to Canada. No other agricultural area in Canada has so many hours of sunlight during the growing season as the

Peace River country, and spring comes earlier there than in any other part of western Canada except in the most southerly part of southern Alberta.

I feel, Mr. Chairman, that the day of haphazard planning of settlement in Canada has passed, or should have passed, and if the present scheme is to be a success it must be most carefully and thoroughly planned. There is no area in Canada where the foundation has been better laid for planned settlement than in the Peace River country Exhaustive soil surveys have been made of that territory by the province of Alberta, by Doctor Wyatt. Studies of settlement conditions in the area were made in 1929 and 1930 by Doctor W. A. McIntosh of Queen's university, by Professor C. A. Dawson of McGill, and by Professor R. W. Murchie of the university of Minnesota. These studies are all contained in a volume entitled "The Peace River Country" in Canadian Frontiers of Settlement. It is an exhaustive study of settlement and plans for settlement of that area. Much similar work has also been done by the experimental farm and illustration stations, and there has been the work of the soldier settlement board itself and of district agriculturists, as well as the many studies made by the Canadian Pacific and the Canadian National Railways. Of late years we have had in the constituency represented by the hon. member for Cariboo the Sudeten colony, whose experiences have brought out information which should be very useful to the minister and the department in any settlement scheme of this kind.

Such a scheme as this, Mr. Chairman, involves a good deal more than just putting the soldier settler on the land and then telling him to root, hog, or die. It means in the Peace River country a great deal more than that if the soldier is to be settled on new land. It means the building up of auxiliary services; it means settling the soldier conveniently to railway and other facilities if he is to have a chance to make good in a real way. He must have contact with all the social services which are required. The settlement of new communities of itself creates openings for other returned soldiers in a business and professional way. Any such new settlement also means the purchase of equipment, which in turn gives employment to returned soldiers in other parts of the country. And particularly new settlement means this, that you are getting the utmost in value for what you put out.

So far as the Peace River country is concerned, soldier settlement in that area must also mean the development of adjacent areas.

[Mr. Sissons.]

One such area is now being developed by the Alaska highway. It would mean the development also of such areas as the Yellow Knife mining field and the rich mining areas lying west of the Rocky mountains in the constituency of Cariboo. It would mean an outlet to the Pacific coast. It would mean all these things and more. I feel very strongly, sir, that there should be vision in any plans made in this connection, and that the Alaska highway, that magnificent and gigantic undertaking, should be a symbol of the scope of the development which will take place in that area.

Settlement means something more so far as the Peace River country is concerned. It means transportation. This has been clearly established in the past, and it is just as clear to-day. In that connection I should like to quote what Sir Edward Beatty said on September 27, 1937, on his return to Edmonton after visiting the Peace River country. I have been in communication with him recently and he tells me that he is still of the opinion that he expressed in these words in 1937:

> That north country needs a settlement plan and needs it quickly, and together with that there should be a programme of rail development.
>
> The Peace River district impressed me most favourably. But its one major need still is that of increased settlement. I am confident that the country could absorb at least twice the population it now bears.
>
> I certainly intend to suggest to the federal government that it embark on a broad policy of settlement for the north. Extension of rail facilities should go hand in hand with colonization. That is something that should be axiomatic.
>
> The Peace River country definitely needs more people, and the sooner it gets them, the sooner will an elaborate programme of rail development become feasible and imperative.

That territory is served by the Northern Alberta railway, which was incorporated by this parliament in 1929. The act of incorporation sets out certain rail extensions which the Northern Alberta railway was empowered to build. One of these extensions was from Grimshaw to the northern boundary of the province; another was from Spirit River to a point in British Columbia; another one was from Hines Creek to Fort St. John.

I quite agree that you cannot ask the railways to go in at this time for a programme of railway development. But, as my final thought, I certainly would like to urge that there should be a railway extension from Hines Creek to Fort St. John. It would open up an area which, according to the soil analyses of Doctor Wyatt, contains something like two million acres of the best arable land to be found in western Canada. More than

that, Fort St. John is the southern terminus of the Alaska highway. That point can now be reached only by a highway which crosses the Peace river by ferry. Surely, with the United States government putting up the money for that Alaska highway, the least that Canada can do is to make Fort St. John readily accessible by rail. I do not know whether the United States engineers have asked for that or not. They may be timid about suggesting to this government what railway extensions should be made; but, seeing that they are taking the responsibility of building the road, I believe our government should inquire of them whether such a railway extension would be of benefit to them. I am certain that the answer would be that such an extension would be of immense service.

That is all I have to say to-day. I wish only to repeat that I am most strongly in favour of the principle of this resolution. I urge that the legislation following it be put forward with vision, with wisdom, and with courage.

Mr. SENN: I wish to congratulate the hon. gentleman who has just taken his seat (Mr. Sissons) upon the fine description he has given of the Peace River country. I hope, however, that the minister, and the director—whoever he may be—will not be so strongly impressed by the hon. member's eloquence that all the money to be expended and all the soldiers to be settled under this scheme will be placed in the Peace River district. After all, good opportunities for soldier settlement exist in other parts of Canada, and places where they have just as good an opportunity to be successful as in the Peace River district, however fine that district may be.

I am in favour of a soldier settlement scheme of this nature. The minister has had the advantage of reviewing the last act and profiting by the errors which were made in the drafting of it and in its provisions. I have no doubt that the director, whoever he may be, when the time comes will have the same advantage of profiting by a study of the weaknesses in the administration of that act. I am not one of those who think that that measure and the administration of it were altogether a failure. Undoubtedly there were individual cases, indeed too many of them, which were not successful. But there is this to be considered, that the soldier who settled on the land some twenty-odd years ago under the former scheme was handicapped in a way which the present soldier may not be. Land values at that time were exceedingly high; since that time there has been a constant lessening of values until they have now reached a very low level indeed. It seems to me that land can be purchased at the present time at a price which will give the present-day soldier much greater advantages than he had under the last scheme.

I fully agree with the leader of the opposition that two or three things are essential if this scheme is to be a success. First, we must have the right type of man to go on the land. Certain types are not cut out to be farmers. There are those who have not the proper qualifications for farming, just as there are men who have not the necessary qualifications for other callings. It seems to me that in large measure the success of the project will depend upon the director who selects these men. He will have an obligation difficult to discharge, and will likely make mistakes at one time or another.

The success of the scheme depends also upon the administration of the act. I am glad to say that I think the terms are very liberal indeed. The encumbrance on a farm should not be too heavy; in fact there was a saying among the older farmers that it should not exceed 50 per cent of the actual value of the farm if the farmer is to have any reasonable prospect of getting out of debt during his lifetime. That is as true to-day as it was in days gone by. There are, of course, always exceptions to a rule, but there have been altogether too many cases where the encumbrance was too high for the farmer to discharge during a normal lifetime.

I have already said that when the former act was brought into effect farm prices were too high and farms were purchased at too high a price. At the present time, it seems to me, that difficulty will not be encountered.

I am sorry that I have not had the privilege of studying as closely as I would have liked, what the minister said last evening. One thing I noticed is that the ceiling of expenditure is to be $4,800, of which $3,600 may be expended on the farm itself and the buildings, and $1,200 for equipment.

Mr. MACKENZIE (Vancouver Centre): Live stock and equipment.

Mr. SENN: I suppose the ratio between the cost of the farm and the cost of stock and equipment will vary in different localities. There are in the province of Ontario, I am sorry to say, places where you can buy a pretty good farm, consisting of 100 or more acres and with fairly good buildings, for $3,600. It is said, and I believe it is true, that in a great many instances farms are being sold for less than it cost to place the buildings on the farms. I am doubtful whether $1,200 for stock and equipment is sufficient to furnish such a farm so that the

farmer may have a reasonable prospect of success. He has to have certain equipment. He must have power of some kind, and as $1,200 will not furnish him with motive power he will have to have horses. He will have to have a certain line of implements not only to put grain in, but to harvest it, and in addition he must have a certain amount of live stock, cattle, sheep, pigs or whatever he may want to produce. In certain localities in Ontario $1,200 will not properly equip a farm. I would ask the minister to explain how this figure was arrived at. What amount of equipment is considered essential, and what has been done in the way of calculating the amount of equipment that can be purchased for $1,200 to furnish a farm of this kind?

Mr. MACKENZIE (Vancouver Centre): I have not that information, but I am informed that the committee which sat for eighteen months discussing the details of the measure did carefully survey the very point raised by my hon. friend. If the amount for live stock and equipment were increased it might lead to an increase in the burden on the settler himself, or it might lead to an increase in the public burden, which is $34,000,000 under this legislation. There is the point, which might partly meet the suggestion of my hon. friend, that they have the power of forgoing capital payments for the first five years, paying only interest, so that the farmer might increase his stock by natural increase or by adding to it himself.

Mr. SENN: I suppose when the bill is in committee figures will be presented if necessary to cover that point.

Mr. MACKENZIE (Vancouver Centre): Yes. Suggestions will be gladly accepted with regard to the sufficiency of the amount.

Mr. CHURCH: We are asked to declare in this resolution that it is expedient to introduce a measure to make provision for the settlement on the land of veterans of the present war, and so on. What does the government mean by expediency in this connection? When the enemy is at our front door, at the side door and the back door, is this the time to bring in such a measure? Has the minister made any survey of the men engaged in the present war to find out whether many of them wish to go on the land?

Mr. MACKENZIE (Vancouver Centre): My remarks last night contained a detailed analysis of a survey that was made of 200,000 service men, and it showed that 33,000 desired to go on the land, or 16·6 per cent.

Mr. CHURCH: I wish to point out three or four principles in connection with this resolution. In the first place, it is not expedient at the present time to introduce such a measure. How does it come about that because we have a plebiscite next Monday these measures are being brought down at the present time when they are not primary or expedient? The result is that the questions which are of primary importance, questions having to do with the prosecution of the war, we are not allowed to discuss at all. How many soldiers overseas at the present time will want to go on the land when they return? In the first place the Minister of Labour (Mr. Mitchell) has announced a very extensive exemption from military service of farmers and their sons, and all that kind of thing. We have to be guided by experience in an important matter like this, and from the unhappy experience of the soldiers in the last war—the experience with regard to veterans going on the land—I am persuaded that at this time, until the war is won, the principle of this resolution is all wrong. I suggest that we should be very slow to adopt it, especially at a time like this. We all know what happened after the last war. I know a great many farmers who went on the land in Ontario to making a living, but because of lack of foresight, vision and efficiency what became of these men after the last war? They had to put up with unemployment, misery, want and greater and greater poverty and have their homes broken up, notwithstanding all the protective measures which the government gave them, including the Farmers' Creditors Arrangement Act, which was a measure for the benefit of farmers and soldiers who went on the land.

Let me point out one or two features of this particular problem. In the first place, I think it is all moonshine at a time like this. It is not expedient to introduce this measure at this stage. I repeat, all this planning is nothing but moonshine when at this very hour Britain and Canada are fighting for their very lives, with the enemy at Canada's front and back doors. They kept on talking like this all last fall in Washington about what they were going to do after the war, until Pearl Harbour came. I suggest that the wreckage will be so great after the war that there will be little to salvage, especially for the men who have gone to the front. With all the exemptions that I have indicated, I know that there are a good many men who do not want to go on the land. A large majority of the recruits are from the industrial centres in our cities and towns and they will not be booted about the country as the men were who came home after the last

war. They will not be booted about by a lot of stay-at-homes advising them to go on the land, when farmers' sons themselves are going into munitions plants making six, seven, eight and sometimes nine dollars a day with overtime, while these brave men are risking their lives on land, on sea and in the air to protect us, and doing it for $1.30 a day. That is what they are doing, and yet their dependents are denied a cost of living bonus. Some civilians in the civil service get $175 a month and the Minister of Finance rises in the house and gives people of that class a cost of living bonus, while next door is a soldier's wife with four or five children. While that breadwinner is over in England or on the seven seas fighting the battles of the country, how is he treated? How are his dependents treated? He is refused a cost of living bonus although his rent, groceries and everything else are the same as those of his neighbour who does not go overseas to fight. Do you think that these soldiers who have been fighting our battle will put up with this sort of thing as they did in the last war? I say no. It is the duty of the government first to win the war, to put first things first.

Regarding the expediency of introducing this measure, I would quote a couple of lines from something that Napoleon said in his correspondence. At a time like this when the enemy is at the door we are taking a plebiscite, and the government is bringing up secondary matters. This is the second day since we have come back and we are discussing only secondary matters; the chief issue before us, the war, is not being touched. In his Correspondence, No. 15212, Napoleon said that "by gambling with the lives of men you lose the confidence of the troops." That is what we are doing at the present time. We are gambling on the fact that we have had protection on land and sea and in the air through the mother country and we are gambling that the enemy will never invade our own country. We may have a rude awakening. We are therefore proposing all these secondary matters that could very well wait for a time, until the war is won.

War searches men and policies. In the first two years of the last war they were going on like this in Britain. They were considering politics and they made all kinds of mistakes, until in 1917 they decided that these domestic questions should wait until the war was won, otherwise you have the cart before the horse. The result was that at the end of 1916, with the dominions represented, an imperial war cabinet, proposed by Lord Milner, was formed, and it had a great effect in winning the war. It is unfortunate that that is not put into effect now instead of measures like this, at a time like this, which lead nowhere. The people of this country want something done about the war first.

What about soldiers who were industrial workers in the cities? They do not know anything about farming; why are they not protected? I asked years ago for the protection of that class of worker under the Farmers' Creditors Arrangement Act. In the last war a great many did go on the land and suffered untold hardships. This way of dealing with this problem is all wrong. To the former minister of national war services I proposed a plan in 1936-38 by which these young people, who have now nearly all gone to the war but were then riding around the country on freight trains, should be given some measure of protection by which they could learn a trade, get clothing and lodging and pay, and get military training. One way the government can help large numbers of these returned soldiers is by adopting a large building and reconstruction policy near to and in cities. The proposal in 1935 was along that line. The government spent nearly $80,000,000 on reconstruction and housing. That would do as much as or far more for the soldiers at the front to-day who do not understand farming than such a measure as this. A man cannot learn to be a farmer in a day. You can learn to be a member of parliament in a day and talk about these secondary problems, but you cannot make a success of farming without some knowledge of it, no matter how much protection is given.

Another point is that a great many of these young men who went to the war were apprentices in some kind of industry. To ask them to give all that up and go on a farm is not feasible in all cases. In any event this should wait until the war is won. We are not yet mobilized for war in Canada. The mentality of the people of Canada is not a war mentality; that is plainly shown by the introduction of this resolution. The whole way of doing business here is an illustration of what Mr. Churchill spoke of as the enormous and unquestionable part humbug plays in the life of great people dwelling in a state of democratic freedom. He was referring to the bringing up of domestic matters that could well wait until after the war is won. I do not ask the government to wait that long. But I do say that if that is the form of protection soldiers in England and overseas are going to get when they come back home, telling them to go on the land, when their families have been treated the way they have been, being refused a cost of living bonus, they are made sick and tired.

I hope the government will get on with the war. They are marking time, waiting for something to happen to the plebiscite next Monday, but the enemy may be here before long. It is not expedient to bring in a measure like this now. We have had nothing but unbroken defeat for the last two and a half years; Norway, Dunkirk, Crete, Libya, Malaya, Hong Kong, Singapore, Burma; nothing but failure, and it is because we have failed to do our duty in the last twenty years; we have failed to rearm. I have every confidence in the minister; I admit that he has done much good war work in getting the army mechanized and in other matters. But I think these matters are secondary; we should have some total war effort before the minister goes into these problems, which can wait until after the war is won. We do not know yet who is going to own the country, let alone who is going to own the farms. The people who are protecting us are the men who have gone overseas.

Mr. FAIR: Is it the intention of the government to review the cases of soldier settlers under the old soldier settlement board plan, with a view to bringing their debts down to such a figure that they will have a reasonable chance of home security?

Mr. MACKENZIE (Vancouver Centre): That question does not come under my department but rather under the department of the Minister of Mines and Resources. So far as I am aware there is no such intention, but any question affecting soldier settlers under the old Soldier Settlement Act can be thoroughly discussed when the estimates of the Department of Mines and Resources are before the house.

Mr. FAIR: The experiences of the settlers under the old board have been such as to throw a wet blanket on this or any similar plan until we have in this country a different policy for agriculture. During the years I have been in this house we have argued persistently for a better agricultural policy, and to-day we are still waiting for that policy to be announced. I do not care what business a man may be in, farming or banking or anything else, so long as he is compelled to produce below cost there will be failure and failure and more failure, as we have had under the soldier settlement board and under all farming conditions.

The Minister of Mines and Resources (Mr. Crerar) told us last night that so many men had paid for their farms. I agree that a small percentage did pay for their farms, but the minister will have to agree that a number of them paid not with money earned on those farms but because they had a little before, and a number of them who had money when they went on the soldier settlement plan are to-day without any. I know of several men who had pensions and sunk that money trying to pay soldier settlement board loans, and to-day they are either on the road or threatened with eviction. That is not right. Until we have a different policy for agriculture there is no use trying to make a success of this or any other land policy. If a soldier settler is given free land and then is compelled to sell his product at below the cost of production, anyone will see that in the near future he will be on the road.

Last night the Minister of Finance (Mr. Ilsley), as reported at page 1777 of *Hansard*, suggested that inflation was the cause of failure of a number of men settled under the old soldier settlement board plan. I would say the government were responsible for the policy that existed at that time. If they did not control these matters in the interests of the common people instead of the privileged few, then the government must take the blame for the failure of these men. And if it was their responsibility to control the policy of the country, then it is their responsibility to make amends, even at this late day, for their thoughtlessness and carelessness in the past.

A number of what we might call arm-chair farmers have spoken on this question. Only a few moments ago one hon. member said it was necessary to have settlement in certain parts of the country so that railway facilities and that kind of thing could be built in. He even went so far as to quote Sir Edward Beatty. I believe the policy of the soldier settlement board and several other organizations in the past has been one, not of giving the people of Canada a living, but rather of building up Sir Edward Beatty's Canadian Pacific railway and other similar institutions. I do not believe it should be the policy of the government or the country to use any class for the purpose of building up railways or other companies. Rather the government's policy should be one of placing people in such a position that they may make a living. If the services and possibly the lives of our men overseas to-day have to be sacrificed so that others may make fat profits, then it is high time that some persons other than those in office to-day took over the reins of government.

I intend at a later stage to have something further to say with respect to soldier settlement on the land, but because it is out of order now I shall reserve it until the proper time.

Mr. FRASER (Peterborough West): Mr. Chairman, this measure might have worked out successfully after the last war, but after this one conditions will be entirely different. At the time of the last war England had only 2,400,000 acres under the plough, while to-day she has over 6,000,000 acres under cultivation. At the time of the last war the British operated only 5,000 tractors, but to-day they have over 100,000, working night and day. After this war England expects to supply not only herself but also part of Europe. A book that I have just received from the British bureau of information makes this statement:

> British agriculture is doing much toward winning the war. It will do no less toward bringing plenty to Europe when victory has been won.

At the present time the government is giving bonuses to the farmers in the west and subsidies to farmers in the rest of Canada. I do not see how the returned soldier can possibly make a living on those farms unless the government is prepared to give much larger subsidies than it is giving to-day.

Mr. WRIGHT: Mr. Chairman, as one who took up land under the soldier settlement scheme after the last war, and one who has spent twenty-two years trying to pay for it, I believe I am familiar with this subject from the point of view of the settler. Much has been said to the effect that the administration was not what it should have been. My experience, however, has been that the administration of soldier settlement was probably as fair as the administration of any other measure.

There were certain basic things which were wrong under the old act, and I am afraid they remain in the present one. I am not going to discuss in detail the provisions of the old act; I shall go into that more fully at a later time. I would point out, however, that under the old act there was no relationship between prices paid and values of products which had to be sold by the farmers later on. We bought land when it was worth a certain amount, when wheat was worth so much, and when cattle, horses and everything else were at certain prices. We are repeating the procedure to-day, only on a smaller scale.

To-day milch cows are selling at $85 each. Cream is selling at 32 cents or 33 cents a pound. What guarantee will the settler have when he buys his cattle that he will be able to dispose of his cream at 32 cents a pound? Will he be in the same position as he was after the last war, when cream went down to 15 cents or 16 cents. After the war, what will prevent the Scandinavian countries from sending their produce to the British markets? Shall we be able to compete with them? Under our present set-up, I do not think we shall.

The measure before us envisions a quarter-section as a farm. To-day in western Canada a quarter-section is not an economic unit to operate. The settlers who were able to pay for their land under the old act were those who were in a position to purchase other lands, so that they would have economic units to work. If we are to accept the quarter-section as a unit under this bill, then right from the start it is doomed to failure, because a quarter-section is not a satisfactory unit.

The tendency in agriculture to-day is toward specialization; we find it in every branch of the industry. If we go to the coast, we find poultry ranches with from 2,000 to 20,000 hens. Farms with only a hundred hens have no chance in competition. In my own constituency I know of men feeding a thousand hogs. The small farmer with only a couple of litters has no chance in that kind of competition. Especially is that true in reference to the grain farmers. What chance has a quarter-section of land to-day in competition with the large grain farms? It has no chance in the world; and if that is to be the basis under this measure, I can assure the committee that it is doomed to failure. In my own district I know that in the last two years seven quarter-section farms have been sold and absorbed into larger units. Most of those farmers were men who had twenty-five or thirty years' experience in farming, but they could not make it go. In many instances their farms were paid for. How can we expect a young man who is green, as far as farming is concerned, to start in on a quarter-section farm and compete with a farmer who has one or two sections of land? It simply cannot be done.

One of the reasons why the old act was a failure, to a large extent, was that certain men who had not had experience and were unsuited to farming were placed on farms. That can be avoided this time. But the two remaining reasons cannot be avoided under this present measure, and I would seriously advise the government to think twice before making the quarter-section an economic unit. It has not proved successful in the past.

To-day in the United States certain schemes which I believe have some chance of success

are in operation. Over there they have taken irrigated areas and have settled farmers on small acreages in those areas. Adjacent to them have been larger areas of land to be cultivated on a community basis. Those dry farms have been operated on a community basis, with the irrigated areas. Some such scheme might be set up in certain areas of the west, and I believe it would have a chance of success.

The small holdings suggested under the bill are a good thing, especially when they are set up adjacent to industrial areas where men can obtain part-time employment. That is a scheme which to a certain extent might be extended in western Canada. Around all our towns in the west we have certain developments along this line, where subdivisions are taken over by people who can obtain part-time employment either in the town or on the farms adjacent thereto. I believe that scheme could be developed in Canada for a certain type of individual who desires that kind of employment. But so far as accepting the quarter-section as a farming unit in western Canada is concerned, I doubt very much whether, in view of present-day competition from those who are specializing in various kinds of agriculture, it can be done.

Mr. MacNICOL: I should like to add a few remarks to this debate. Before proceeding, may I first compliment the hon. member for Peace River (Mr. Sissons) upon the splendid address he made to-day with respect to the possibilities of land settlement in his part of the country. He was kind enough to mention the fact that I had been in that part of the country last year and had travelled many hundreds of miles through it. I did so, not only in that country but in northern Manitoba and in northern Ontario in anticipation of just such a bill as this being brought before the house.

I am strongly in support of the minister in his intention to try to do something. We cannot accomplish anything unless we make an effort. Some of the factors which have been mentioned strike me as having a good deal of merit. One which has just been referred to by the hon. member who preceded me is the settling of these men on small holdings near towns and cities. I hope that if small holdings are acquired, large prices will not be paid. The hon. member for Prince Edward-Lennox (Mr. Tustin) knows perhaps as much as any hon. member about what can be done on small holdings near our cities. Before this debate concludes, I hope that he will tell us something about the experience of suburban farmers on these small holdings.

In my long investigation through the western areas I came to the conclusion that certain matters were of vital importance to the success of a land settlement scheme. One of these is the provision of transportation facilities to enable those on the farms to get to and from their market in the shortest possible time. The second is the providing of social community interest. Last night I just happened to mention the Sudeten area which I believe is in the riding of the hon. member for Cariboo (Mr. Turgeon). I had expected that he would speak on this, and I refrained from taking part in the debate for that reason. However, he has not done so and perhaps I should say something about the Sudeten scheme.

The Canadian National Railways have settled a number of these people in the vicinity of St. Walburg in Saskatchewan. I did not visit that area, but I did visit the area at Tupper in the Peace River block which has been settled by the Canadian Pacific. These two railroads have done an admirable work, and I hope that if the minister is able to settle large numbers of returned men on single large blocks of land, say one hundred families or perhaps a smaller number in one block, he will consider the scheme which has been carried out so successfully by the Canadian Pacific. I am not talking to laud the C.P.R., as someone has intimated. I hope I am big enough not to be characterized as talking for any railway company. I am simply referring to the success they have achieved out there.

This area is close to the boundary line between British Columbia and Alberta; in fact it may be on both sides of the line. It is what was known as the old Gundy property, and I believe in the early days the station bore that name. It consisted of 23,000 acres, part of which could be cultivated at once, but the major portion of which was covered with a fine stand of timber. The administrators of this land settlement scheme did something which is new to me, but which proved to be most effective in settling these people. They built groups of houses, enough to take care of from seven to ten families, in close proximity to each other so that women and children would have an initial community interest before later moving them to their own lots. In this particular Sudeten area, I suppose there were ten different groups composed of several families in each.

The administrators set up a small sawmill, and the men were paid for cutting timber to be sawn into lumber to build the cottages. In that way they were able to obtain some revenue with which to proceed. Then the administrators purchased large machines to

put the land in condition to be cultivated as speedily as possible. I believe this scheme was founded on an allowance of $1,500 per family from the fund set up by the British government and France at the time of the Munich agreement, but which is being carried out by the British government. For single men there is an allowance of £200 or approximately $1,000.

The scheme has had eminent success, and I was over the area last summer. The products produced are sold through a community store or a community service. When I was there, they were shipping about seventy-five cans of milk or cream per week and about two cars of hogs monthly. In that way they were able to keep down the cost of delivering their products to the market. They had a community store, and there was a definite community interest centred in the school-house, and a community hall and the church as well as in a large building which they used for making repairs to implements and so forth. I was greatly pleased with what is being done there, and I hope that if the minister is able to find a large block of land upon which families can be settled, he will consider this scheme.

It is essential that you have some kind of community interest. The people who settled in the west in the early days did not have that, and I have often wondered how they ever stood what they had to go through in the early days in the western provinces. I am not much surprised at the way some members from the west talk about it because these people had to go through tremendous hardships. A community interest, similar to that which is to be found in this Sudeten area, would be a splendid thing in starting this new colonization scheme.

The hon. member for Peace River mentioned the land north of the Peace river. I was fortunate in being able to meet one of the first pioneers in that area. I believe his name is Sheridan Lawrence. He first settled 300 miles north of Peace River at a place called Fort Vermilion where he raised his family. He had quite a large farm and operated a mill, and I learned a great deal from my conversation with this well posted man. He told me what the hon. member for Peace River has referred to, that there are millions of acres of fine land in this section ready for occupation. I agree with the suggestion of the hon. member for Peace River that the minister should try to settle large blocks of this land with returned men.

I made an extensive survey in northern Manitoba. There are large blocks of fine land available there, and there are large blocks in northern Ontario too. The same may be true of other provinces, but, as I say, I covered these provinces fairly extensively. If soldiers are settled on these lands, they should be engaged in and paid for making roads, etcetera. They should be encouraged to build roads as was done in Ontario in the early days when soldiers of the Napoleonic wars were settled in the eastern part of that province. That country needs roads.

I was at a place called Grimshaw in the Peace River country where I met a man who had come down seventy miles from another village called Notekewin. I inquired as to how he had come down, and he told me that he had travelled this long distance by wagon in order to bring his produce to market. I disagree with what someone else has said about building railways. I contend that the time has come when more railways and highways should be built in these new areas. These men could very well assist in building these railways and receive wages for so doing. The hon. member for Peace River spoke of extending the railway from Peace River west to Fort St. John. I agree with that proposal. There is a fine block of land there, but there is no use in sending soldier settlers or any other kind of settlers into these areas unless transportation facilities are vastly different from what they are now. One man told me that he had settled thirty miles north of Fairview and that at the time he settled there he was told by the immigration or settlement authorities that the railroad would be in promptly. He said, "I have raised my family and now I have retired, and the railway has not come in yet—after thirty years." That is not the right way to treat settlers. They must have transportation. Railways and highways must be built to enable them to get their products to market speedily. I believe that the area north of Peace River offers a golden opportunity to any government to give thousands of men employment in building roads and railways.

Mr. COLDWELL: First may I say that I am very glad indeed to note that the government is considering plans for the reestablishment of the returned men after the war. Because of the experience we had following the last war, I am not particularly enthusiastic about the bill that is before the committee. The figures presented last night by the minister himself regarding that experience are on record and show that out of some 25,000 settlers, the number now remaining on the land is approximately 8,000; those who have paid off their land number 2,700; those who

have sold their equity, 884; and the remainder, over 13,000, have abandoned the scheme either voluntarily or upon notice.

Yesterday from the veterans' association at Drumheller, from a committee of three, I received three pictures. They are large enough for most hon. members to see. The first one shows a soldier settlement home after twenty-two years—a shack so miserable that it is a wonder that any human being could inhabit it; yet it is inhabited by a family. Here is the second one, a little better than the first, and here is the third. I have seen so-called homes like these inhabited by soldier settlers across the prairies, and I am hoping that any scheme that we adopt will not be a scheme that will lend itself to this kind of thing.

I am thoroughly in agreement with what was said by the hon. member for Melfort who sat down a few moments ago, that if we are going to have a land settlement scheme for our soldiers we should make sure that the men who are to be settled on the land are settled in an economic unit and in proximity to a market or within reach of transportation facilities so that they can get to market and sell their produce. The economic unit, as he has said, as far as the prairies are concerned, is very much larger than most members of this house think. I am not going into the bulletins which have been issued by the university of Saskatchewan, and which we have quoted in this house from time to time, showing that the economic unit in many areas of the west to-day is at least a section, 640 acres, and that in some instances where the land is light, no sufficient living can be made by a family unless they have a full line of machinery and two sections of land. So the economic unit varies in different places, and one of the reasons why the last settlement scheme failed was that we sent the settlers into districts which were unsuitable for the kind of settlement these soldiers could undertake.

As regards the small holdings near the cities, we should be careful not to think of this as a solution. A certain number of people could be employed in that way near some cities. But when I was at Victoria, spending just one day there, I admit, in December of last year, I took the opportunity of visiting some of the soldier settlement farms and the farms which they had abandoned and which are now settled by British settlers on the Saanich peninsula, very near to Victoria. I found that the stories told there of these small holdings, where the settlers are supposed to work on the land during part of the year and then get supplementary employment in the city, were not dissimilar from the stories we hear from the soldier settlers on the prairies. We have had periods of unemployment in the cities, and during those periods there was no supplementary work to be had. In addition, the small holders found that the people in the city could not buy their fruits and vegetables when they were produced. Unless we can devise ways and means of planning our agricultural and our economic life so that our agriculture and industry may be supplementary to one another, and that one may absorb the products of the other, we shall not be able to make a scheme of this sort work satisfactorily.

One hon. member said a few moments ago that Great Britain was bringing a great deal of land under the plough and that she would assist in the feeding of Europe. I do not think that is quite what the bulletin or the government had in mind. I suggest this, that Great Britain will be much more self-supporting after this war than she has ever been before. One who has been there can readily see that land which was never ploughed before, or not ploughed for many years, is now under the plough. In the county of Devonshire from which I come, when I went back there for a day I drove over land which I remembered as park land, land over which deer ran, and I saw this land now ploughed up. I know that when this war ends, the agricultural production of this country will be quite sufficient, and we must not make the mistake of settling men upon the land after the war unless they are thoroughly suitable for that kind of work and unless we can provide them with transportation facilities or find markets for what they produce.

I am hoping that when the war does end, the nations of the world will get together and formulate plans for international trade and commerce which will stabilize that commerce, and stabilize agricultural production to a degree. While I think we are wise to consider plans of this kind during the war, because if peace comes suddenly and we have no plans made for any of our returned men, we are going to be in a very bad position, I want to emphasize, in discussing this particular measure, that we must not consider a scheme of this kind to be any solution even for the 16 per cent of the men who have signified their desire to go back to the land after the war. Much more must be done, and that much more involves the larger picture of the economic structure of this country. I do not like to see this question being discussed apart from the larger picture. We must make sure that plans of this kind fit into the whole picture of Canadian economy

when this war ends. There is no question that we are then going to be faced with conditions such as we have never faced before. The old methods of laissez-faire have undoubtedly gone for good; whether we like it or whether we dislike it, we are going to be faced with economic planning in practically every country of the world, and we ourselves will have to fit into that picture somehow. I warn the minister and the committee that, while it is wise to discuss plans of this description, we should not look upon them as being in the nature of a solution of the great problem which will face us at the end of this war.

I too, like the hon. member for Battle River, do not propose to go to-day into the whole soldier settlement scheme. I want to say something about it when the appropriate minister is before the house with his estimates, and although he is in his seat now, I do not propose to get that far out of order. The experience of the soldier settlers under the earlier scheme will interfere with the promotion of a scheme of this description. I believe that in the districts where soldier settlers inhabit such places as I have mentioned this afternoon, the very fact of the miserable conditions under which these people live did interfere at the beginning with our recruiting. I have heard young men say, "Look what happened to the men who gave up everything in the last war; see where they are now." In some instances these boys came from places just like that. I know that owing to the progress of the war and the intensification of recruiting efforts, as well as to some extent the economic pressure which was discussed here last night, many of these boys have joined up. But when they come back, though they themselves were born in rural localities, they are not going to risk getting into the condition in which their parents were or in which people on the land have been right up to the present time.

What I have said applies not only to the soldier settlers but to the agricultural industry very generally. The farmer, it is said, throughout history has always been the forgotten man. He was the slave, the peon, the hewer of wood and the drawer of water. I do not believe that our society can exist and go forward industrially unless we lay the foundations of prosperity in the rural and agricultural areas of our country. That involves much more than a scheme for putting people back on the land; it involves a reorganization of our economic system in such a manner that the farmer will be guaranteed a reasonable return for the labour which he expends and for the knowledge which he puts into his land and into his effort.

While I am going to support this measure now in committee, I want to have it clearly understood that, as far as we are concerned, we want a scheme which will fit into a larger economic scheme to deal with the rehabilitation of the country when the war ends.

Mr. CASTLEDEN: What is the present equity of the board in the land under administration at this time?

Mr. MACKENZIE (Vancouver Centre): It is $30,444,000.

Mr. HANSON (York-Sunbury): That is the written-down value?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. DECHENE: I would not have presumed to occupy the time of this house—as you know, I do so very sparingly—had it not been for the defeatism which has been so evident in this house in the remarks of hon. members opposite,—

An hon. MEMBER: Past experience.

Mr. DECHENE: —hon. gentlemen from that part of the country from which I come, where I have lived practically all my life, where I know that a scheme such as is being brought down by the government under this resolution is possible of successful achievement. I deprecate their manner of speaking, not only for that reason, but also because of the state of mind which it may bring about among our young men who are now in the forces and those who will enlist later. I deprecate the habit that some hon. members have of picking out one case, possibly a sad one, where an unfortunate situation has arisen on account of lack of crop or something of the kind, as a reason for condemning a whole scheme, condemning a whole district, condemning a whole country because of one failure. Time after time I have sat here and heard hon. members trying to make out a case for condemning a whole region and a whole government administration, on the strength of one incident arising in some settlement out west or elsewhere in this country.

The leader of the Cooperative Commonwealth Federation has just pointed to conditions in some shacks. When the hon. gentleman was still in Britain and in swaddling clothes, I, for one, lived in a shack of that kind, homesteading with my father, some fifty years ago. But in those days we did not have

the hon. gentleman's kind of party to offer us something for nothing. We did not have the sort of policy which seeks to have the government do something for you. We had spirit and courage of the kind which developed the great west, qualities which are still available to make a success of a measure such as the government proposes to introduce.

I wish to support the hon. member for Peace River, whose constituency adjoins mine. I desire also to say something to the committee, the minister and the government about the district which I represent. I beg the indulgence of hon. members if in the short time at my disposal I refer frequently to that particular part of the country, because it contains a great deal of land; and no matter what the hon. member for Melfort may say, or how successful a farmer he may be, I contend that if you put the right man on the right land, such as we have in our district, he can make a living, and a fairly good one.

Hundreds of friends of mine throughout that north land are making a decent living on quarter-sections and half-sections. I say to the hon. gentleman that if he is looking for a fortune, if he wants to make a lot of money, it is useless for him to go on any kind of land, be it homestead or any other kind. Let him join the Canadian Pacific Railway Company or something of that sort. What are we offering our young men to-day, these men who are braving difficulty and danger? Are we going to tell them that they are afraid to go on a piece of land? After offering their lives in the greatest and noblest cause for which any man can venture his life, are they to be told that they have not the courage of their ancestors to go to the lands in the west which are still available and make homes for themselves as their fathers did before them?

Mr. BRUCE: This is to-day, not yesterday.

Mr. DECHENE: I regret that my voice is bad, Mr. Chairman.

Mr. FRASER (Peterborough West): So is your argument.

Mr. DECHENE: I have before me the figures of the last census. Although probably some hon. members who have spoken to-day come from districts which people are leaving, I may say that the constituency of Athabaska showed the largest increase in population in the last ten years of any part of Canada, bar none, not even excepting the far-famed Peace River. We showed practically one-quarter of the entire increase of population in Alberta, and we would have shown a larger increase than that had not the provincial government, with the usual sanity shown by that government, cancelled some years ago the homestead policy so that to-day there is no more homestead land to be secured in that province.

Those who have condemned the proposed scheme but who say they will vote for it have forgotten that the government are doing what should have been done after the last war. What I am saying now is not a condemnation of the government of that day. The minister in charge of the bill said last night that it was a new venture, that no organization had previously been set up such as we are preparing to erect now in order to provide men going on the land with proper information as to location, the nature of the soil, the possibilities of the district, transportation and so forth. The government to-day are preparing to do all that. We are telling our boys that there will be made available for them an organization fully informed and capable of directing them in any province where land is still available.

From a point 25 miles northeast of the town in which I live the railway plan, as mentioned by the hon. member for Peace River, showed possibilities and indicated what the directors of the two great railway companies thought of that north country from the point of view of future settlement and development. The Canadian Pacific railway for a great many years had no interest in the northern part of Saskatchewan and Alberta until about 1925, and during that time the northern half of those provinces were considered Canadian National territory. Branches were built by the Canadian National Railways from Prince Albert and Edmonton, north, east and west. Later on, in 1927, 1928 and 1929, the Canadian Pacific Railway Company secured charters for lines from Prince Albert in a westerly direction, and a line was constructed to a point 25 miles west of Meadow Lake. The Canadian National Railways constructed north-easterly from Edmonton in the direction of the town in which I live, and the railway is in operation. They had a charter to build a line to St. Walburg, Saskatchewan, and another branch from my home town to join the Canadian Pacific railway at a place known as Beaver Crossing on the Beaver river. They obtained running rights to a place near Loon Lake, and from a point north of Beaver river the Canadian Pacific railway continued in a north-westerly direction to Lac La Biche, to join with the Northern Alberta Railways, leading eventually to a western outlet. It was a vast plan. Surveys were made; plans were all prepared, and when the crash came in 1929, both companies were preparing to give contracts to build

these different lines. I have available for the committee figures with regard to homestead land at that time which was still capable of settlement in that country. These lands constitute a large area and are productive. The rainfall is almost certain every year, and there is a fair amount of merchantable timber so that the homesteader can earn a few dollars in the winter time. There are a large number of lakes filled with commercial fish—white fish, trout and so on—and the farmers can work thereat in the fall and the winter and earn some money. With the hon. member for Peace River I realize that the time is not propitious to ask the government to build railways, but the construction of necessary lines should form a part of the enterprise, because plans exist already. They relate to a part of the country which was known to be productive; it was known to have possibilities of earning sufficient to meet any expenditures that might be made in developing it and to justify a railway line extending all the way from Prince Albert into the Peace River and Cariboo country.

The failures of the last settlement scheme have been admitted by everybody. Unfortunately, as a result of lack of preparation, mistakes were made at that time for which we cannot blame the board to-day, nor could we have blamed them for many years past. I have had many negotiations with the soldier settlement board and have found them willing at all times to meet the settler more than half way. Any man who was willing to do his best found sympathetic treatment on the part of the board, wherever he might happen to be. The trouble was, however, that the purchases were made at a time of inflation. I realize that, unfortunately, human nature is the same everywhere, and I am afraid it will be the same after this war. A good many men who had some influence locally or with the then government took charge of the organization and the placing of settlers. In the district where I live, I can say that at least 150 men were placed all the way from Smoky Lake to Cold Lake. Some of the land was purchased through the agency of some men who had influence with the then government. The result was that land that was not suitable was purchased, and chattels were bought at prices that were far too high while stock was sold at ridiculous figures. I remember a team of horses that sold for between five and six hundred dollars and an ordinary cow sold for $150. That is sufficient to show that there was no possibility of any success. But where the soldier himself used his head, or where he was fortunate enough to fall into the hands of some man who wanted to be fair, he was able to succeed. I can point out in that district dozens of men who have made good on the land and who to-day are happy. They own their land, or at any rate they owe very little on it. They make first-class citizens, and they are the type of men who are most needed in the west. The returned men who went into that part of the country, after serving overseas and risking their lives, exerted a very beneficial influence among the foreign population of western Canada. They are the type of people I love and admire, for they helped to develop the western plains. Those people from other lands who do not speak our own language and had not the same customs came into contact with our returned men and were helped to a wonderful degree. Our soldier settlers inculcated in them a love of the flag and of our institutions. They have done a great deal to build up the national edifice which we have been trying to rear in northern Alberta and Saskatchewan.

I am the father of a family; I have many close relatives in the forces, and some of them might possibly take advantage of this scheme. I want to congratulate this government upon the method they are adopting under this resolution of bringing back into trade and industry the boys who went out from here and making provision that those who are fit to go on the land can take advantage of the lands available in Canada, as well as upon the other bill providing for vocational training, which together will provide that every one of our boys upon his return will have some place to go and make a decent living after the war.

But is it right for some hon. members to paint such a terrible picture of what is going to happen to us after the war? Is it a proper thing to try to discourage these men, whether in Canada or overseas, to say that the country will not be able to take care of them when the war is over, to induce them to believe that we no longer have the Canadian spirit, that we have lost the courage and initiative of our ancestors, who from the waters of the Atlantic to the sunny slopes of the Pacific and from the gulf of Mexico to the Arctic created civilization and progress on this continent? I believe there will be a new deal after the war. The government is now preparing to bring about this new deal. No matter what my hon. friends directly opposite me say, I believe that to take one example out of thousands of something they evidently do not like and base criticisms of the government upon that is not fair. We want to offer the young men of this country something better than that.

Since I am rambling on about myself, may I say that my ancestors have belonged to this country since 1632. When the foundations of the city of Montreal were laid, my ancestors were already established on the soil of Canada. I have never despaired of Canada. Even in the darkest days of the depression in 1930-32 when I was a member of the local house in Alberta I moved a resolution as an appeal to the people and particularly to the youth of Canada. It was very discouraging in those days, there seemed to be nothing for the people to do; at one time they were told to tighten their belts and at another time they were told they were too choosy. But I believe we shall never see those things again. We are now offering these chances of resettlement and building homes on the land. I should like to try with these young men to lift a corner of the veil which hides the future of the country I have the honour to represent. It is absurd to say that there are no possibilities here. There are great opportunities for those who come back; with this whole world to be reconstructed and fed, there will be tremendous opportunities for the young men and the young women. I am convinced that there will be more opportunities after this war for those with ambition and courage than we have had in this country for many decades. I say to the young men who are in the forces and to those who, unfortunately, perhaps because of physical defects are unable to join, do not listen to the proposition that this world will not be fit to live in after the war. I resent and deprecate and reject the libels being expressed on the floor of this house against Canada, its possibilities and its people.

An hon. MEMBER: It is not against Canada.

Mr. DECHENE: We often hear it said that the morale of our fighting forces is as important as or more important than anything else, yet some public men do everything they can to destroy it. We know that prosperity and success are almost as much a matter of the mind as of physical achievement. If you lack courage and ambition, if you want something for nothing, then you are not going to succeed.

In supporting this resolution let me say that the district I represent offers many opportunities and that the population will welcome those of the fighting forces who will be so minded as to take up farming there as an occupation. We will do our very best to help them in every possible way. An hon. member said in this debate that the small man cannot compete with the big man. But if a farmer on a quarter-section has only a dozen hogs to sell, and if he knows how to raise them and they are A-1 they bring the same price on the market as the three thousand hogs of the big raiser. I realize that to-day farming is a profession. It is no longer the haphazard thing it used to be years ago. But I repeat that if we place on the land that is available trained men, men who have courage and ambition, and those men receive from the government the help and guidance which I know they are going to receive, I am sure that the present scheme will work to the benefit of thousands of our returned men and to the vast benefit of the part of the country where these men will make their future home.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. BRUCE: Mr. Chairman, I wish to say just a few words in support of the measure before the committee, one which I believe to be a sincere attempt to deal with the very difficult problem of rehabilitation. The minister in his most lucid statement of yesterday explained to the house that for months a committee had been sitting considering the various phases of this matter, and as a consequence of their work he is now presenting to the house what is believed to be the best way with which the matter can be dealt.

I do not think the fact that the Soldier Settlement Act following the last war was to a considerable extent a disappointment, if not indeed a failure, is any reason why we should not try again. We shall benefit from the mistakes made at that time, and avoid the pitfalls which exposed our soldiers to disappointment in their effort to rehabilitate themselves.

There are one or two features in connection with this matter with which I should like to deal particularly. I was glad this afternoon to hear the minister say that the bill would be wide enough to include men who wished to have a small lot of an acre or two which, I presume, could be extended to ten acres. These would be lots where they could live and enjoy rural life, and at the same time assist in maintaining their families while, for a portion of the year, they might be occupied in some industry in a neighbouring town. I hope that this will be considered also from the point of view of the rural districts. I have in mind the necessity of having community centres such as one used to see in France. During the last war I had an opportunity of visiting various parts of rural France. I had also seen them on previous occasions, and each time I had

been impressed with the methods employed by the French people in the rural districts to obtain the maximum agricultural production, and at the same time to maintain community life. The people who are conducting the farms do not live on their farms, but maintain themselves in little settlements or communities where they can enjoy the privileges of social life, and bring up their children under those conditions, with schools and churches conveniently located, and with the advantages offered by stores and other opportunities which would be denied them if they were living in remote districts of the country.

Another thing in this connection which has appealed to me as a farmer, is that there should be more cooperation among neighbouring farmers. Surely it should be possible in a community of that kind to have many of the agricultural implements used in common, and arrangements made whereby at harvesting time reapers could be used in common to cut the grain quickly on the various farms. Then, later on, there would be the cooperative method of threshing and marketing the grain. It seems to me a great deal of labour is wasted through lack of cooperation. Although I do not always see eye to eye with the cooperative movement to my left, I believe there is much to be learned and much advantage to be derived from a cooperative movement in many phases of agriculture.

An example of this type of cooperation is found in the Antigonish movement in Nova Scotia. This is under the direction of St. Francis Xavier university and was started in the summer of 1927 by twelve farmers who got together to discuss what they could do to improve their crops and income for the next year. By meeting together during the winter and discussing their problems and cooperating one with the other, they were able in the following year to sell the product of their farms for $5,300, a sum which had not been possible to realize previously. That work was continued, and it has extended until the present time. I was very much interested in the movement there, because it included housing as well. It was found that by a cooperative effort they were able to build their houses at a much reduced cost, and thereby provide much needed housing which they were not able to obtain in any other way.

I was sorry to learn that the Dominion Housing Act had ceased to function, and I suggest that under this measure it will be necessary to provide housing as well as land. If these smaller allotments are given to returned men, some provision will have to be made to house them, and it should be quite easy to work out a housing plan in connection with the measure the minister is now introducing by way of resolution.

I should like to express my entire agreement with the sentiment expressed this afternoon by the hon. member for Rosetown-Biggar when he said that this should be part of a general scheme to improve the lot of the farmer. Farmers throughout the country have had a difficult time to make a living, and we all know quite well that many of them have struggled for a lifetime only to find at the end of their days that they still have large mortgages on their farms.

During the last year in the county of Durham some sixty farmers had to abandon their farms. Most of those were 100-acre farms, which means a loss in productive capacity of some 6,000 acres. It was not a question of selling their farms, but rather one of abandoning them altogether. Therefore, when the government is looking for farms it will find a few in the county of Durham already available at a very small price. Perhaps they could be acquired by the payment of taxes.

My leader expressed my views very clearly to-day—extraordinarily well, in fact, considering that he knows nothing about farming; all of which goes to show that a lawyer can always have a brief.

Mr. MACKENZIE (Vancouver Centre): He was brought up on one.

Mr. BRUCE: Many other opinions have been expressed by other hon. members with which I heartily agree. I do not wish to delay the committee further in discussing this subject. My only hope is that when the measure is brought down it will incorporate most of the suggestions that have been made during the sittings of this committee.

Mr. FAIR: Just before the dinner recess the hon. member for Athabaska (Mr. Dechene) endeavoured to make a contribution to this debate, and during the course of his remarks he made some misleading statements with reference to the homestead policy of the province of Alberta. While this may not be the place to go into the details of that programme, I do want to say that his statements in this connection were not any more truthful than those he made on another occasion during the last session. I suggest that they be investigated in other channels where the truth can be obtained.

Mr. SENN: If the minister will bear with me, there are one or two things I should like to find out. On page 1769 of *Hansard* I find this statement by the minister:

> The third and greatest difference is that no soldier settler under this bill will be encouraged or permitted to assume an uneconomic and unbearable burden of debt.

I should like to know if a settler who has been placed on the land will be able to purchase anything on credit. For instance, he may have a horse die when he has no funds with which to buy another, and it would be impossible to continue with his operations without a horse. Will he be permitted to purchase on credit in a case of that kind? A dozen cases of that sort might arise where a man would require to have credit. Will there be any supervision over purchases of that kind, or will he be allowed to go deeper into debt?

Mr. MACKENZIE (Vancouver Centre): What I had in mind when I made that statement last night was the fact that at the outset his obligation may only be 50 per cent whereas under the old scheme it was much greater. Also, the rate of interest was greater under the old scheme. There is no question that when a settler is once on the land permission could be obtained for a temporary advance to help him out, subject to the limitation of the measure. The more he progresses, the more opportunity he would have to obtain credit. As I mentioned this afternoon, there is provision for no capital payments during the first five years when a man is having a hard time. I think it is reasonable to assume that provision will be made in the regulations for such purchases.

Mr. SENN: That is by the department.

Mr. HANSON (York-Sunbury): They will have to have something like that. I understand that all personal property will be vested in the crown.

Mr. MACKENZIE (Vancouver Centre): Live stock and equipment. The man does not get final title to the equity until ten years have elapsed.

Mr. HANSON (York-Sunbury): Therefore he would have very little merchantable credit. I would think that some provision will have to be made.

Mr. MACKENZIE (Vancouver Centre): That could be adjusted by the regulations.

Mr. HANSON (York-Sunbury): Is it the intention to operate immediately under this proposed statute, or will it be postponed until after the war period?

[Mr. Fair.]

Mr. MACKENZIE (Vancouver Centre): I should not like to be bound down too definitely because this is to be reviewed by the parliamentary committee, but the intention is to have it operative forthwith. I would not be emphatic about the degree of operation, but it must be remembered that 40,000 men have been discharged from the forces already.

Mr. HANSON (York-Sunbury): I think that answers my question. The door is not definitely shut?

Mr. MACKENZIE (Vancouver Centre): No, not at all. The intention would be to acquire certain lands in the immediate future.

Mr. SENN: I have one further question to ask arising out of the fact that the ownership in stock and equipment is vested in the director or in the department. In that case a settler would have no authority to sell without direct permission from the director. I understand that these settlers will be located in different parts of the country, and without quite a large staff it will be quite difficult to have this permission granted just when the settler should sell his stock or whatever he has to sell.

Mr. MACKENZIE (Vancouver Centre): It is provided that he can obtain permission from the supervisor for the sale of certain stock.

Mr. WARREN: My few remarks on this resolution are prompted by some discussion that took place early in the afternoon regarding assistance to be given to men who are interested only in small holdings of perhaps one, two or five acres. I should like to refer briefly to that aspect of the proposal. If I understood the minister's reply correctly, it appears that it will be necessary for these holdings to be located within reach of industry where the settlers may be able to secure employment. I should like to suggest that consideration be given to placing men in small homes wherever they may want to settle.

After all, I suppose it is the ambition of nearly every man to own his home during his lifetime, but only a small percentage are able to achieve that ambition. There is a growing population of small home owners, men who have perhaps only one acre of land out in the country, sometimes four or five miles from even a village. I have been interested in noting how these people, with only a very small amount of cash, seem to be able to get along, raise a family and in some cases educate their daughters to be schoolteachers. If a man owns a home out in the country, his taxes may not amount to more than $5 a year. He has no rent to pay. If he has a

good cow, he gets his milk and butter and has skim-milk to feed to his hogs and hens. He will have butter to sell, because it would not need an awfully good cow to produce sufficient milk for that. Then he will have his eggs. If he keeps four hogs and sells two, the return from the two will pay the cost of feeding the four. If he knows how to butcher and smoke his meat, he will have meat that really costs him nothing. If he is industrious, he will be able to get what fuel he requires without having to pay out any cash. He will not have to buy any vegetables because he could grow his potatoes and other vegetables on his land. The result is that at the end of the year he finds that he does not need very much cash to make a living.

I have an interesting example I should like to give the committee to show just how little cash it takes to keep a man and his wife and family. This particular man happened to be working for me, and I asked him how much cash it took to keep him and his family for a year. He had not any idea. I asked him about his taxes, and he told me that because he lived in the village, they were $23.50. I asked him about his cow, and he said that he had had to buy one bag of chop which cost him $1.70. I asked him about his hay, and he told me that he had cut it along the roadside and had been able to get plenty. He told me that he never had to pay cash for wood and that he was able to grow enough vegetables. After we had gone on for some time I said, "If you had $100 cash, would that be all you would require for one year?" He said, "Oh, yes; that would be plenty." Then I went in to see his wife. This was near Christmas. I asked her about the matter. When I mentioned the $100, she almost screamed. "Lornie has not given me one cent since the cow freshened last spring," she said, "and I have kept the house and myself and Phyllis on what we made from that cow." I told that to a member of parliament, the then member for Southeast Grey, I think it was, and she was horrified that people should live under such conditions. I said, "Tell me what is wrong. They have a nice, clean house and always have plenty of good food. They have meat and vegetables and fruit—everything that any person would want. Their clothes are always nice and clean. They have a good stove, a nice couch, and good beds to sleep in. What more can you ask?" Sometimes they have a radio and they own a car.

I give this, Mr. Chairman, just as an example of the small amount of cash that a person needs to live on if he has a little home of his own and can grow some of his own food, and so I would say to the minister and to hon. members, do not be too anxious to see that the returned men shall settle on land near an industrial centre. If, instead, they keep away from the city and go out into the country, no matter how far out they may go, they can always find work because some farmer in the community is always wanting an extra hand, and in addition there is road work and the lumber camps, so that they never need be out of work. It is not every man who is capable of taking one or two hundred acres of land and making a success of farming. There are men who can get along very nicely in some trade who could not make a success of a farm if you gave it to them, fully equipped, and so I would suggest that consideration be given to these small holdings. They do not cost much.

I had a man working for me last summer and he was preparing to build a good home. He had been paying rent, and he had built a little building in which to store his furniture while he was working for me. I suggested to him in the fall that he warm up that place and live in it for the winter. He was a handy man; he did that, and he told me afterwards that his wife was never so happy as she had been in that little house. He said, "You would hardly notice the small amount of fuel it took to keep the place warm." I said, "Is the place big enough?" and he replied, "Sure, there is lots of room." I suppose that little home did not cost him much more than $35 cash because he had his own lumber. They had two children, and they were comfortable and happy there. So we should not get into our minds that we need to be extravagant in our ideas of settlement. Let us help a man to find some sort of home that he can call his own so that he will be freed from the anxiety of always wondering whether he is going to be able to find the rent at the end of the month. We do not need to be too anxious to settle him near some industrial town or big city. I think very often we would be well advised to keep him as far away from the city as possible.

An hon. MEMBER: Why?

Mr. WARREN: For a number of reasons, and I think you would find that he would get along better and be more contented with the simple pleasures that people manage to find for themselves farther out in the country, and he would then be less likely to develop expensive habits.

Mr. MacINNIS: I had not intended to say anything on this resolution, Mr. Chairman, but I am concerned over some of the suggestions that have been made to the minister in regard to the various schemes that might be included under this measure. I want to be as helpful as possible to the minister because I know he is anxious to make a good job of rehabilitation. And rightly so, because it is one of the most important jobs that could be given any minister. We have to have a proper organization of life after the war for the men who are demobilized from our armed forces and for those now engaged in war production—it is either that or chaos. I think the minister should be commended for making a beginning on this problem now. But I am afraid that we cannot mix a small holdings scheme with a land settlement scheme where a man is supposed to pay for the land and become self-supporting after a certain period. On a small holding a man cannot produce enough to make his own living, let alone pay for the land. It seems to me they are two separate things altogether. The one scheme will be on a sort of charitable basis, it seems to me, and the other is to a large extent a commercial venture. I would suggest to the minister that he should not promise too much in order to be accommodating. These matters should be looked into very carefully to guard against spoiling one scheme by widening it to include the other. I am not suggesting that nothing should be done in the way of small holdings, but I do suggest that it should be kept separate from the real land settlement scheme.

We should remember also that any land settlement scheme to-day must be undertaken in the light of a full knowledge of the social and economic conditions prevailing. Many people when they talk about land settlement refer to what our fathers and grandfathers did in settling the land, and they overlook entirely the fact that conditions are quite dissimilar to-day. I was brought up on a pioneer farm where we saw very little money but where we could live fairly well because what we consumed was produced on the farm. We produced our own wheat, took it to the grist mill and had it ground into flour, and the flour was baked at home. We produced our own potatoes and vegetables, raised our own mutton, pork and beef. Of course we also had quite a bit of herring which we had to buy, except that in the spring of the year we caught a few. I have seen my mother shear the sheep, card the wool and knit it. She could not weave, but a neighbour woman would do the weaving.

All that is changed to-day. We have such and such a company to do our laundering, another company to do our baking, and all the time we are being pressed to have somebody else do our darning, mending and all that. The old life is changed. The farmer to-day requires money to pay for everything which was formerly produced in the household. That money has to come from somewhere. It must be produced on the farms through the sale of agricultural products, or come as income from some other source. If we are to have a land setlement scheme under which those who go on the land are supposed after a year or two to be self-supporting, they will have to be provided with fairly large tracts, depending upon the particular kind of farm product they intend to produce, and there will have to be a market for what they produce.

I advise the committee not to be too sanguine of the success of any venture of this kind. The fact that we are living in a machine age is as true of agriculture as of any other kind of production. The more agricultural machines you have, the fewer farmers you will require. So, when the scheme is all ready, the continued improvement in farm machinery will result in a greater volume of farm products than can be sold, and our problem will not have been solved; it will have just begun. I make this first suggestion to the minister with the best of intentions, and recognizing that the minister wants to help the person with a small income who hopes to add to his living by having a small holding, but I do not think we should include the two kinds of settlement under the same bill.

Another thing he should remember is that the farmers of Canada by and large are in a bad way. I believe I am right in saying that one-half of the farmers of British Columbia are not self-supporting on the land and must have some kind of other work in order to keep going. There are those here from British Columbia who may know a little more about farming in that province than I do, but I have travelled through the province, and I am quite convinced that not more than half the farmers support themselves wholly from their farms.

An hon. MEMBER: It is the same in Ontario.

Mr. MacINNIS: These are things which we must keep in mind when we are organizing this plan. We must not be too hopeful that we are going to settle all our problems by putting people on the land.

Mr. CRUICKSHANK: The farmers of British Columbia have been mentioned so I should like to say a word, although I had not intended to say anything until we got into committee on the bill. I heard an Ontario farmer talking about putting a man in a $35 shack. I wonder how many recruits we shall get for our magnificent air force if they think that all we are going to offer them when they return is a $35 shack to live in. I wonder how many recruits we are going to get to join other branches of the service if we tell them that we propose to send them up to the Peace River district, no matter how far it may be, perhaps away in the wilderness. The proposition is not reasonable. I have not heard many returned soldiers speak in this connection. I am not going to talk at this time about the soldier settlement board, for I do not think this is the proper occasion, when we are discussing the present resolution. I may have something to say about the board later.

It seems to me that we are wasting a lot of time. Perhaps I am wasting some now. We have to win this war before we settle anybody. If any hon. member supposes that after this war these young men are going to be satisfied to be settled away off in some area forty miles from the nearest contact with civilization, he is badly mistaken. Speaking as a farmer member, I say that the hon. member for Vancouver East is correct in his reference to the position of farmers in British Columbia, except that I would say that 75 per cent, rather than 50 per cent, have not been able to support themselves solely from their farms. There is hardly an area to which that statement does not apply, with the possible exception of the Okanagan. I doubt if it does not apply there as well. But in the rest of British Columbia 80 per cent of the farmers have heavy mortgages and are behind in their taxes. Before you can settle these men on the land, the first thing you have to do is to find a market at proper prices for what the farmers produce. Apparently, from what was said by my good friend the hon. member for Renfrew North, or one of these millionaire districts in Ontario, all the farmers there are prosperous. But I should like to mention one farmer who came from that district to my district last year. He is one of these city farmers, with a big fortune behind him. We have been told by one hon. member from Ontario that eggs can be produced at a profit at nine cents a dozen. I may refer to a letter written by this city farmer who had a big business behind him, with regard to the fortune which could be made in the Fraser valley. This man found that things turned out very differently; he had to sell all his cows and all his other live stock, and he is now subdividing his property and selling it in five-acre plots. It is very easy for people in other lines of business to talk about the fortunes to be made in farming.

I am going to support any bill which will help to rehabilitate returned men, but the minister or anyone else who knows anything about returned men knows in the first place that you are not going to be able to talk to the young soldier coming back from this war as you talked to the soldier of the last war. It is all very well to say, "Here is this magnificent pioneer area for you to develop. Your grandfather did that sort of thing and now you do it." Possibly he should pioneer, but do you think he will be willing to do that? I say to my hon. friend who suggests building these mansions for $35 that I do not know where a man can make a living in British Columbia by working a small place and picking up jobs on the side. Ask the hon. member for Vancouver East or any other hon. member from British Columbia where you could pick up work in the last ten years out there? The Minister of Labour knows. We had some ten thousand single men from eastern Canada in British Columbia, and the best we had to offer them was relief. Remember that after the war we shall also have the problem of those who will be unemployed following the closing of our war factories.

I am right behind this bill, but I want to emphasize to the minister that neither this nor any other farm scheme will be a success as far as the soldiers are concerned, or a success ultimately for the treasury of Canada, if you start these men with a heavy debt on their shoulders. It would be cheaper to give them their farms, wipe out the heavy cost of administration, and let them have something to live on.

Mr. BLACKMORE: There is one more thought I feel I should like to express after the words of the hon. member who has just taken his seat. He asks if we believe that the returned men will be satisfied with a project of this kind. Certainly they will not be. I should like to know whether the members of this house are satisfied to offer them such a thing.

An hon. MEMBER: No.

Mr. BLACKMORE: I should just like to know whether the members of the parliament of Canada have sunk so low as to offer the men who volunteer to go and risk their lives a miserable pittance, on their return, an opportunity to spend a life of penury.

Mr. HANSON (York-Sunbury): What about growing sugar beets in your country?

Mr. BLACKMORE: That would be bad enough. It is very hard work. I believe that some hon. members who spoke this afternoon have altogether lost a correct sense of perspective. They have forgotten that we are a community of something like twelve million people living in one of the most richly endowed countries on the face of the earth, and that we are living in the year 1942. Certainly we should not be expecting our soldier sons to be forced to live according to standards which might have been acceptable in 1542. Let everybody bear that in mind as he faces each of the problems pertaining to the rehabilitation of the returned man.

Mr. ROSS (St. Paul's): I have just a few words to say to-night.

The CHAIRMAN: The widest possible latitude has been allowed, but only the principle should be discussed at this stage. This is a resolution; it is not a bill. I am in the hands of the committee, but I would point out that if the rules are to be applied they must be applied somewhere.

Mr. ROSS (St. Paul's): I am speaking on the principle of the resolution. One most interesting idea that I have got from several members is this, that the old days of the scythe and sickle in the northwest are gone. There is no use trying to put any returned soldier on a quarter-section. There are many places in Ontario where we can take returned soldiers, and I am going to give my ideas in this regard. Let us go back a great many years to the time when we had the village and, gathered round the village, the shoemaker, the carriage maker, the blacksmith and all the other workers in the vicinity.

Mr. HANSON (York-Sunbury): The grist mill.

Mr. ROSS (St. Paul's): Yes. One of our greatest difficulties to-day, one of the things from which we are suffering, is the geographical concentration of industry in various places. What I envision is this. The Minister of Munitions and Supply (Mr. Howe) is not in his place, but he has been endeavouring in our war effort to do something that is very much worth while, and that is what he refers to as bits and pieces. That is, where you have a factory here, a factory there, a little community that can do a good job economically and farm as well. But what have you in the northwest to-day on the farms out there? You have wheat farms, and in some places in the west it is an occupation for only four or five or six months of the year. What will you do with those people the rest of the time? In connection with those farms I suggest that we must get into mass production so that we can produce economically. Why should we be subsidizing poor people who have no more than a bare living on a quarter-section? You have all the machinery in the world, and all you need is cooperation. You need something else for these people to do. On a tract of land of two or three thousand acres you can produce wheat at 25 or 26 or 27 cents a bushel. I will ask the Minister of Agriculture (Mr. Gardiner) if I am right.

Mr. GARDINER: In most of it you are wrong.

Mr. ROSS (St. Paul's): I do not agree with the Minister of Agriculture. As a matter of fact in Ontario there are various parts of the province where people cannot afford individual tractors on the farms, but we have men working together, four or five of them, sharing a tractor. That is what we have to get. We have something that we can really do. We can have these men put back on the land where they like to be, and they can engage in industry as well. That is the solution of the whole problem. Let us restore small communities in the country. Let us bring them all back. Instead of having everything concentrated in one great big city, so that when there is a depression everyone is out of work without anything to live on, if things were spread throughout the country there would be an opportunity for people to make a living.

Mr. HANSON (York-Sunbury): The minister should make it clear after the discussion which we have heard this afternoon and evening that primarily this is a land settlement scheme. He should distinguish. If he does not in his own mind, I do in mine. There is a great difference between a land settlement scheme and a small allotment scheme. They are two entirely different problems, and while he is endeavouring to gather into the fold some suggestion of a small allotment scheme, primarily what parliament is passing on now is a land settlement scheme. The other finds its place in the picture only incidentally. If he studies the problem, he will find that the small allotment scheme is an entirely different thing. That is all I have to say.

Mr. MACKENZIE (Vancouver Centre): I quite agree with the leader of the opposition, and I thought I made that clear, but I did not want to bind myself too specifically because this matter will be considered in detail by a committee of the house and suggestions will be carefully weighed.

Mr. ESLING: Will the provisions of the proposed measure extend to enlisted men who before having seen active service have been discharged because of physical disability? The same question applies to men who have been called up for training but have been discharged on account of physical disability.

Mr. MACKENZIE (Vancouver Centre): My recollection is that the provisions refer only to those who have served abroad or who have served twelve months in the dominion. The question raised by my hon. friend is one that could be further studied by the parliamentary committee.

Mr. ESLING: Let me cite a case. A certain man actually disposed of a profitable business and enlisted. He went into the 111th battery and was discharged a month later because of physical unfitness. That was more than a year ago, and he has not yet been able to secure employment. In one instance he was practically accepted for employment, and when he came before the company's medical examiner and disclosed that he had been discharged from the army he was told, "If you are not fit to serve in the army, you are not fit to serve with us." He has been without employment. What is there in store for such a man? He offered his services to the country and should certainly have some attention.

Mr. MACKENZIE (Vancouver Centre): Only those discharged with a pensionable disability would come under the provisions of this measure unless they served twelve months in Canada or served overseas. As regards the man to whom my hon. friend refers, if he was discharged not pensionable, then the welfare division of the Department of Pensions and National Health should obtain employment for him if possible, or try to get various forms of training or benefits for him.

Mr. ESLING: I will go a step further in the same case. The man made his way through Shaughnessy hospital, Vancouver, and was simply told there was no provision for treatment for him. He cannot have even treatment, to say nothing of employment.

Mr. MACKENZIE (Vancouver Centre): If my hon. friend will give me the name privately, I shall be glad to look carefully into the matter, because every one is entitled to free treatment except for certain conditions for a year without allowances, and also special treatment sometimes for four months with allowances under special conditions.

Resolution reported, read the second time and concurred in. Mr. Mackenzie (Vancouver Centre) thereupon moved for leave to introduce Bill No. 65, to make provision for the settlement on the land of veterans of the present war.

Motion agreed to and bill read the first time.

WAR RISK INSURANCE

PROVISION FOR COMPENSATION FOR WAR DAMAGE TO PROPERTY

Hon. J. L. ILSLEY (Minister of Finance) moved the second reading of Bill No. 56, to make provision with respect to insurance of property against war risks and the payment of compensation for war damage.

He said: I made a statement to the house when this bill was in its resolution stage, and I have nothing to add to that statement at this time. I simply wish to say that when the bill receives its second reading I propose to move that it be referred, not to the committee of the whole house but to the banking and commerce committee. I felt that I should inform the house of that fact now so that the house will realize that in the banking and commerce committee the bill can receive detailed study and analysis.

Mr. ROSS (St. Paul's): What reference will the minister give to the banking and commerce committee, and what powers will he give them to call witnesses?

Mr. ILSLEY: I shall just refer the bill to the committee. Bills are often referred to standing committees of the house, and the powers of such committees are well understood. They are set out in the rules of the house and governed by the practice of the house.

Mr. HANSON (York-Sunbury): It will be in the hands of the committee whether it shall summon any witnesses?

Mr. ILSLEY: Yes.

Hon. R. B. HANSON (Leader of the Opposition): The minister made a statement at another stage of this legislation. I do not think I was in the house at the time the statement was made. It was on the last day before the recess. I read that statement with care, and I think I understood some of the underlying principles of this legislation. At the same time I am bound to say that a study of the bill and of the minister's statement confirms the impression which I formed when the matter was in the resolution stage that this is a very technical matter. Since I am not an expert in insurance law, I confess at once that I am not in a position to offer

much if any contribution to this debate. Yet there are certain points which I think I should briefly point out.

The preamble asserts:

> Whereas by reason of the state of war now existing there is risk of damage to property in Canada by enemy action.

That, of course, is a truism and, being true, it is expedient to bring in some measure such as that now before the house. I assume there has been some substantial public demand for this measure.

What apparently is contemplated is a limited measure of insurance for a limited sum covering a limited area of risk, and I assume that is as far as the government or the minister intends to go at the moment. I have not had time or opportunity to examine similar legislation in the United Kingdom, but I understand that over there the principles are very much more extended, because of the situation now and for some time past existing. That is natural and reasonable. Unquestionably the risk of damage to property from enemy action over there has been and is at the moment far in excess of anything contemplated here. If my understanding of the position is correct, based on announcements that have been made and the information I have received from members of the ministry, the anticipated damage to property here from enemy action is limited to that arising from sporadic raids on our coast and not from invasion. That may not be a correct statement of the position taken by the military experts of the government, but so far as I have been able to learn the government policy in that regard, from the public utterances that have been made—I am not going to refer to private utterances that I have heard—that is as far as the staff officers of the Department of National Defence have gone in their preparations for our coastal defence. I am not raising any particular quarrel with that. How far short of reality that may be no one knows, least of all myself; the whole thing is in the lap of the gods, and much will depend on what happens in the next few weeks.

In any event I assume that the present bill is in response to a public demand, although I am bound to say that very little inquiry has been made of me, neither have I had any communication with anyone. But in the statement which the minister made he adverted to the inquiry that the ministry had made with respect to this matter, and I shall speak of that in a moment.

Dealing with the bill itself, and without attempting to go into the clauses, it will be noted that the bill enables the government itself to enter into contracts for war risk insurance; that the terms of the bill are enabling. There is no compulsory provision. As a first venture in this new field it is perhaps as well that it should be merely enabling and not compulsory, because the whole thing, at least for a time, is in the experimental stage. Time and events will determine the wisdom of the venture and whether or not the scheme should be extended.

Section 3 of the bill sets up this enabling provision:

> The minister may, on behalf of His Majesty, enter into a contract of insurance with any person to insure against the risk of war damage, any property in which such person has an insurable interest.

That, if I interpret it correctly, visualizes a department of government entering into the business of war risk insurance contracts.

But I do not understand that that is the primary object of the bill. If I appreciate the situation aright, the minister proposes to use section 4 or some other enabling power in the bill whereby the actual insuring will be done by insurance or casualty companies. I am assuming—and he will correct me if I am wrong, because I have not had him give me a technical explanation of the bill—that he intends to operate under section 4, whereby the minister is enabled to establish one or more schemes of insurance, as he sees fit; or that he may refer to a separate condition that may obtain against which insurance will be taken out along the lines of the war risk insurance visualized by section 3. I should like the minister to make that clear.

However, if any other concrete scheme of war risk insurance is contemplated being set up under the bill, that is to say if the minister has in mind any scheme of war risk insurance other than that contemplated by the provisions of section 3, read in conjunction with the other appropriate sections of the bill, then I think he should tell the house what he has in mind. If there be such other scheme in contemplation, then I suggest to the minister that in conformity with sound legislative practice and sound policy the principle of such other scheme should be set out in the bill itself, and should not be left to the minister or supervisor really to legislate other war risk insurance schemes never contemplated by parliament.

I may be entirely on the wrong tack in this matter. I am speculating to a degree, and I should like to have a little more precise information. If there be such other scheme in contemplation, then I suggest to the minister that the principles of such other scheme of insurance should be incorporated subsequently in the body of the bill, and that he should make that clear; because, according to my way

of thinking, under the provisions of section 4, read in conjunction with section 32, the minister may set up a scheme entirely different from that contemplated by section 3. Or he may set up any number of schemes. I suggest with great respect—and I do not intend to be controversial or destructive, but rather to be constructive—that parliament ought not to give to any department of government blanket powers of this kind, even in wartime. Of course it is a fact that in wartime, necessities on occasions may require full plenary powers in certain spheres and capacities directly connected with the war. But this would not appear to be one of those occasions. If the minister has in mind the setting up of any other type of insurance, then I think it should be set out in the bill. That is the principal objection I desire to register at this moment to the bill itself.

As I said before, I do not wish to hedge about this thing, but I must say that the minister's intentions are not quite clear to me. In fact I think it is clear from his previous declaration that it was not the intention of the government to enter into actual contractual relations under the provisions of section 3, but to utilize the facilities of existing insurance companies.

I may be wrong as to that, but I believe that is a fair interpretation to be derived from his words. But if it be true, may I say that I am not condemning his suggestion. I think it is worthy of the most careful examination, because I am one who believes that private enterprise will do a better job than any government department in a purely business matter such as this. I think it will be handled better, and greater care will be taken. They have a stake in the matter, and they will exercise greater care in the whole contractual operation, right down to the point of settling. Private enterprise may not be able to take all the burden in this matter. I do not know how great the burden may be, measured in terms of dollars and cents, and it might be able to take on the financial obligations only at a prohibitive cost.

This is an experiment. When the proposal was before the house on March 27, the minister made a statement in which he indicated that the bill was presented after an exhaustive study of the problem from coast to coast, and that a report had been prepared for him by an eminent member of the legal profession whose name he did not mention. The report had been prepared after that gentleman had visited the Pacific coast, the maritime provinces, Quebec, Montreal and Washington. I regret that the minister did not give the house the name of that eminent member of the legal profession.

Mr. ILSLEY: Mr. D'Arcy Leonard of Toronto; I mentioned it yesterday.

Mr. JACKMAN: A good man.

Mr. HANSON (York-Sunbury): I have no doubt. I have not had the honour of this gentleman's acquaintance. I have no doubt, however, that he was quite competent to make the report to the minister. I should have thought that perhaps we who have an interest in the matter, or who are trying to do our duty, might have had a copy of his report. It would have been informative, at all events. Perhaps it is my fault that I did not receive a copy of it; I dare say if I had asked for it the minister would have given it to me—although possibly it is confidential.

Mr. ILSLEY: No.

Mr. HANSON (York-Sunbury): It would have been not only informative but would have been of great interest to those who are really interested in this proposal.

The minister stated that in addition the question had been studied by an interdepartmental committee of capable civil servants, and by the office of the superintendent of insurance. He further stated that there had been full consultation with the official representatives of the fire and casualty insurance companies of Canada, and that with the aid of such advice and material the plan of war risk insurance and compensation as embodied in the bill had been formulated.

I commend the minister for the pains which I know must have been taken before this bill was drafted. At the same time I regret we were not given a copy of the report for our information before the legislation reached this stage. All of the minister's statements certainly indicate to me that there has been careful preparation of this bill—and that is as it should be.

The minister then went on to describe the British precedents, which no doubt are very helpful, although conditions there are vastly different from what they are here, and from what we hope they may continue to be. He also indicated the situation in the United States where a corporation has been set up under the Reconstruction Finance Corporation, and authority has been granted to pay over a sum not in excess of a billion dollars to the War Damage Corporation funds. He also indicated that New Zealand had

recently adopted compulsory war risk insurance based upon fire insurance policies already in force, as I gathered from his statement.

From what he said I gathered that what is indicated in Canada is a scheme based on the experience of some of these other nations, but very limited in its scope and application. The minister then laid down four principles which he stated were the basis of the bill: First, that the burden should be distributed equally across the country, because the whole nation is at war. Prima facie I should say that requires some further explanation. I am not dissenting from it; I can see sound reasons why it should be that way. It is a war risk that is being assumed, and the cost of that may be substantial, although perhaps not much in a given case. Being a war risk, it may be just to say that the burden of carrying that risk should be borne by the nation as a whole.

Then he went on to say that the second basic principle was that the insurance should be voluntary rather than compulsory. As a beginning, I do not think there can be much criticism of that principle. It is an experiment. I do not think we would want to put into effect a compulsory war risk insurance scheme. Without being able to measure in any degree the risk involved, a compulsory system is not justified in Canada at the moment.

The minister referred to the third principle which was that a certain minimum coverage should be given to all home owners, householders and certain others without the payment of premiums. I am not just sure that that is sound. Per se I just cannot understand why those who have a certain minimum coverage or who come within certain classes of property owners should be free from the payment of any premiums. It may be that that is the system followed in other jurisdictions; I do not know, but at first blush I just cannot appreciate why there should be no premium cost to the owner. I cannot see that that is absolutely sound. After all, this is not to be a compulsory system, and it may be that there are sound reasons for that principle. I am not sure that it is absolutely sound having regard to the fact that under principle No. 2, the minister stated that no property owner is entitled to compensation unless he along with other property owners has made a special contribution proportionate to the indemnity he would get. I just cannot seem to add up those two things.

The fourth principle enunciated by the minister was that the payment of indemnity and compensation, except in cases of undue hardship or national importance, should be postponed until after the war. That is a pretty hard provision. I realize that the minister has stated that this is based on the theory that war needs must have priority, but there is an elasticity in the language with respect to the payment of indemnity and compensation except in cases of undue hardship or national importance. This will mean that certain persons will get paid and certain other persons will not be paid. That will give rise to great dissatisfaction. The phrase "cases of undue hardship" can be defined, but any significance can be given to the phrase "national importance." I just do not understand that particular class of case, and I think this should be made clear. Perhaps this is a matter that could very well be discussed in the banking and commerce committee. However, I do not expect to be able to attend the sessions of that committee, so I think I should make these observations here.

I do not think the time of payment should be left entirely to the discretion of any department of the government, or even to the minister. If there is a contractual obligation for which a premium has been paid, then I think there should be some stated time of payment. It should not have to wait until a declaration is made. I suggest to the minister that the time of payment should be made certain in the bill or in the contract itself. Then the minister went on to say, as reported on page 1703 of *Hansard* of March 27:

> The insurance policies will be issued by the existing fire and casualty insurance companies through their established agents.

That is what I was referring to before. If that is the settled policy of the government, I do not see why it is not incorporated in the measure itself. I have glanced over the measure, and I do not see anything to indicate that that is to be the line of policy adopted by the department in connection with this matter. As I said before, I offer this criticism, not in a spirit of opposition to the bill but because I believe that this is the proper method of legislating once a policy is laid down. The bill itself should, in concrete terms or in as concrete terms as possible, follow the theory and principle of the policy.

The bill provides for the deduction of premiums for income and excess profits tax purposes only to a limited extent. I should like to have from the minister on some appropriate occasion an explanation of why

there is a limitation. The coverage will be small and the premiums cannot be great, relatively speaking, so I cannot see why there should be any limitation in the matter of deducting premiums for taxation purposes. I think that should be a legitimate expense. At least, that is the way it strikes me and I think it would so strike any business man. I do not blame the minister for trying to get all the revenue he can, but why penalize a man who takes the precaution of insuring his premises against war risk? Why not allow him to deduct the premiums just as he would deduct fire insurance premiums as a business expense? The minister has stated that he will recommend that the clause relating to the deductibility of premiums for income tax purposes should be discussed in the banking committee. He stated that he was not wedded to any particular view in regard to the matter and I gather, therefore, that he has an open mind on the subject.

My view is that in connection with business properties this should be deductible in full, taking into account the cost of operations. There may be some reason why there has to be a limitation, but it has not been made apparent to me. Section 28 provides:

> The premium payable with respect to any contract of insurance shall, for the purposes of the Income War Tax Act and the Excess Profits Tax Act, 1940, be deductible as an expense of carrying on the business if the property insured under such contract of insurance is used in connection with and required for the purpose of the trade—

I am not suggesting that there should be a deduction in connection with premiums paid on private homes. The section goes on:

> —but such deduction shall only be allowed to the extent that the total taxes payable by the insured under the said act are thereby diminished by 40 per centum of the said premium.

I should like to have an explanation of why that limitation is there. Just what the effect of that overriding provision is, I do not know at the moment and I have not sought expert advice. I think we should have some further explanation from the minister.

There are other observations I should like to make with respect to other sections of the bill, especially section 32 which gives power to the governor in council to make regulations. This matter of legislating by regulation is becoming acute from time to time. I object to the principle, and I think the house ought to object to the principle of legislating by regulation or by order in council in connection with things that ought to be in the statutes themselves. I do not like the theory that a bureau of the government is to be given from time to time the power of substantively enacting legislation, even within the ambit of the restrictions contained in the authorizing clause, unless it is absolutely necessary.

We are regulated to death to-day in matters in connection with the war. I believe that a large amount of that is necessary, but here you are giving power to an authority of government to put into these policies contractual obligations about which parliament knows nothing. They may be restrictions, or what not. Perhaps I am not expressing myself very well, but the principle, I say, is bad. I know it is the easiest thing in the world for government draughtsmen to put this class of clause in a bill. It is not new in this parliament; it is not new in the mother of parliaments. Hon. members who are students of legislation and of the law will recall a book that was written by a former Lord Chief Justice of England, Lord Hewart, under the title of "The New Despotism." I think I should register a protest on every occasion upon which I meet this form of despotism. I wish I could see some more evidence of being backed up by my colleagues in the legal profession. I am looking at one of them right now (Mr. St. Laurent), but I am not backed up at all.

Mr. MacINNIS: They were opposing you in 1934.

Mr. HANSON (York-Sunbury): That is water over the dam so far as I am concerned. I am living in an entirely different age to-day.

An hon. MEMBER: They are too.

Mr. HANSON (York-Sunbury): They are too, but let us confine ourselves to the immediate question before us. My hon. friend the member for Comox-Alberni (Mr. Neill) suggests they are living in a different age too, but do not know it. Perhaps that is true. However, it is beside the mark at the moment.

I desire to register my strong protest against this policy of legislation by regulation. That is not what parliament is here for, and we should not be delegating our powers to even the best of civil servants to legislate for us. I would ask the minister to give consideration to that.

The power to make regulations given by this bill covers a pretty wide range. I am not going to take the time of the house to analyse the regulations. Hon. gentlemen can see them for themselves if they will look at pages 10 and 11 of the bill. They are contained in no less than thirteen subsections and all the governor in council has to do is to pass an order in council, not even under

the War Measures Act, which is the godfather of most of these things. Then it is put in the *Canada Gazete,* which nobody ever sees, and the result is that nobody knows what the law is. That is one of the dangers of legislation by regulation under order in council. Having made that protest, I have not very much more to say.

I would ask the minister if he will enlarge on the principle that payments will not be made under the bill until after the war, meaning, I assume, until after the declaration of peace. He said that war needs must have priority. I do not think we should be quite content with that general statement. A man might have to wait for three years for compensation after a destructive bombardment, which I hope will never happen. My hon. friend the member for Victoria (Mr. Mayhew) is giving me his attention. If his place of business were bombed to-morrow, he might have to wait until after the war to get indemnity, provided, of course, he is insured under this legislation. I do not think that is quite good enough. How will he carry on his business in the meantime? I have no doubt my hon. friend has control of an ample supply of resources—if the government leaves him anything after he has paid his taxes.

I am not opposed to the principle of the bill, but I would hope that the banking and commerce committee will give it intensive study and that the proceedings of that committee will be public so that those of us who have not the opportunity of attending and participating in its proceedings may become familiar with what takes place and the recommendations advanced there from time to time. In this connection I would ask the minister to make available the report to which he referred and to which I have referred, also the recommendations made by the fire and casualty insurance companies who have been consulted, on the assumption that their recommendations have been made in writing.

Mr. D. G. ROSS (St. Paul's): Mr. Speaker, I want first of all to congratulate Mr. D'Arcy Leonard who was called in by the minister, and who has gone back through some 150 years of war risk insurance for the purpose of recommending a policy such as we have before us to-night. I also want to thank the insurance fraternity of Canada, all those managers, adjusters and other officers who have given freely of their time to Mr. Leonard in order that the government might be in a position to bring down this bill to be put before the banking and commerce committee for consideration, and I am sure that they will be willing to come forward and give their services to the committee in order that we may get a workable measure. I personally take a little pride in having been able to expedite this measure because, being connected with the business myself, I have had a great many inquiries from time to time, and as hon. members know, I have frequently asked questions to ascertain how soon the government's policy might be brought down. While I compliment the minister upon bringing it down after making an announcement with respect to it on December 24, I think the delay has operated to a certain extent against our war effort. As I said in the house on a previous occasion, business men who have goods to send to the coast have always been a little fearful, having no insurance protection of this kind, that if anything happened to the goods they would be wiped out.

The minister stated to the house that the obligation to be assumed by the government under this legislation would be not more than $50,000 in any one case. Well, the people of this country may need the government to assume a greater obligation than $50,000, and I do not see the reason for fixing that sum when the bill says further on in section 27:

> The minister shall refer to the advisory committee any application to enter into a contract of insurance under which the maximum amount of indemnity which may be payable exceeds two hundred and fifty thousand dollars.

I do not see why the minister says $50,000 in another place because, if we had passed this bill on December 24, we would be assuming obligations up to an amount of $250,000. I think the minister should make an announcement immediately to clarify that situation.

This question of war risk insurance is so vast and takes in so many subjects that it needs the greatest amount of discussion and the assistance of all the experts whom we can possibly get to formulate a bill and regulations which will be workable. After the banking and commerce committee have these regulations formulated, and after the advisory committee have done their work, the regulations should come back periodically to the house or to the banking and commerce committee so that the Canadian people will be informed of them and know where they stand. One of our greatest difficulties, as my leader said a little while ago, has been that so many regulations have been issued without the intervention of parliament. In connection with this business it is almost impossible to draft regulations which will be useful forever. For instance, you form a company of insurance and elect your board of directors; then you appoint

your manager and your staff. Assume, for instance, that the House of Commons is the board of directors; the board cannot be telling the people who are running the business what regulations are going to be in force from time to time; certain rules of underwriting have to be followed. More especially in the present case, where we have something which is entirely new, and with no experience to guide us, we shall have to work by the method of hit-or-miss, and regulations will need to be formulated and revised from time to time.

In the bill it is provided that the minister shall appoint an advisory committee. My suggestion is that this be done, not by the minister, but by the insurance fraternity of Canada. They have done a pretty good job. Under the direction of the finest insurance department in the world, our Canadian insurance department directed by Mr. Finlayson, the insurance fraternity should pick out the people who are best suited for this job. The committee itself should designate the supervisor whom they think best fitted for this job. I believe that that course would remove a great many difficulties. There are thousands of agencies that wish to be consulted in this matter. The success of this scheme depends to a great extent on these agents. It is necessary that they shall be imbued with a patriotic spirit, so that they will be able to get people in Toronto, Saskatoon and Lake Centre, let us say, as well as those who are in hazardous areas such as Vancouver and Halifax, to take out insurance in view of the possibility of losing their property. There are only two ways of doing this. One is to give the agents a high enough commission; the other is to imbue them with a patriotic spirit so that the risk may be just tacked on to the fire insurance policies. By this means we could get a tremendous premium.

Who else are interested? Of course, we have the managers of all the companies in this country. There are the stock companies, the mutual companies, and the reciprocal companies. Each must be represented on the advisory board which we are going to set up. Besides them, we have the adjusters who must be consulted and induced to pick out their best men. If we do these things, we shall have success with this measure.

In reference to what the minister said about spreading the burden over the country, there are a great many ways of doing that. Take what New Zealand did. There, the burden is spread over all the people who have fire insurance policies. It just means that twenty-five cents per hundred dollars is added to each insurance policy. In Canada we have $12,000,000,000 of fire risks assumed by our companies. If we had compulsory insurance, a ten cents per hundred rate would provide us with $12,000,000. It is not a very big rate; I do not know whether it is enough. A twenty-cent rate, of course, would give us $24,000,000. That is one way. We might have the voluntary method of getting premiums, and also we could follow the course of taking money from the consolidated revenue of the country. Where we take the money from the insured risk, most of that risk would bear on real estate. I hardly think it would be entirely fair, because the hazard is on both coasts and real estate would be bearing it; whereas by the other method each individual one of us would be benefiting by the hazard which the people on the coasts were taking. Therefore, perhaps a total voluntary system is not the best one. Under a wholly voluntary system we would have a specified premium which would be taken out only by those people who were under the hazard—we will say Vancouver and Saint John and Halifax. We should, therefore, require assistance from the consolidated revenue fund. Other things might be considered. Take wheat, which is shipped from west to east under warehouse receipt; compulsory fire insurance is necessary. We might have some compulsory, some voluntary, and some consolidated revenue fund.

We do not know how much money will be required; that is an unknown quantity. We do not know what the hazard is, and there is no experience to guide us. Our position is entirely different from that of Great Britain, Australia, or New Zealand. For these reasons I urge that the best insurance brains of this country be brought together in this committee, so that the necessary study may be made.

In passing, I might point out something which may be more important than property loss, and that is personal accident which may befall people on either or both coasts. I know, Mr. Speaker, that you and I would be quite willing to pay some premium in connection with any physical harm which might come to people who are on the coast and taking the brunt of the risk while we right here in the centre of the country are sitting pretty. That is another thing which must be thought about.

The thing is not as simple as we think. In Great Britain this whole business does not hinge simply on one form of insurance. It is not just a question whether you will insure your house or anything like that. In section 4 it is provided that the minister may establish one or more schemes of insurance as he sees fit. In Great Britain there are seven different schemes at the present time, and they need seven different kinds of people to take care of the risks involved. In this country

we have not seven different schemes. We have not some of the things they have to insure, but we do need a wide range of experience.

With regard to legislation by order in council, I congratulate the minister upon having brought in a bill instead of proceeding to carry out the policy by order in council. I think that the more the light of day is thrown on the question, the better it will be for us; the more the House of Commons knows about it and the more discussion there is in the banking and commerce committee, the better.

There is a provision with regard to regulations. It will be perfectly impossible for us to sit down in the House of Commons—it is impossible for most of us at any rate—and formulate the underwriting principles which will be required in this vast field, which is a life study in itself. We shall, therefore, have to go to the banking and commerce committee, formulate the matter there as closely as we can with all the brains we have, and then leave it so that it may be subject to change.

As regards picking out the supervisor, there is a provision in section 2 that the minister may, with the approval of the governor in council, appoint an officer to be called the supervisor of war damage insurance and may, with such approval, fix the remuneration to be paid to him. I suggest that would be the greatest mistake. Let the advisory committee pick their own man. You might not even have to pay him; they might pay him themselves. I happen to know what wonderful cooperation has been given by the whole insurance fraternity. All the companies of Canada have offered to do the business for the country at cost and the agents will do the same. Let us utilize all their services.

One or two other questions which enter into the consideration of this subject might be interesting to the house. Take the question of compulsory insurance. Let us take a big oil company—we will not mention any names—a company that has a tremendous hazard, for instance, in Bedford basin. Is that company going to be allowed to insure its hazard there without insuring all the rest of its property all over Canada? This is one of the questions which must be considered by the insurance companies and by the banking and commerce committee. Take a mortgage company which has an interest in mortgages throughout the country from Vancouver to Halifax. Will they be allowed to insure only their risks in Vancouver and Halifax, or must they insure all over the country? These are some of the questions that have to be considered. I am saying this only to illustrate the vastness of the whole subject and to show how necessary it is for us to enlist the best brains.

[Mr. Douglas G. Ross.]

I do not like legislation by order in council, but I think it would be a very great mistake to tie the hands of the committee to be appointed.

One last word. Insurance is a matter of trust and faith as between individuals and companies, and we must have that in this case. You cannot lay down rules and regulations that will be iron-bound. We must have it the other way. It is provided that the minister shall as soon as possible, but within three months after the termination of each year ending on the 31st day of March, submit an annual report to parliament covering the business affairs of the minister under this measure for the twelve months ending on the said 31st day of March. I suggest that the committee to be appointed should be responsible for expenditures. Leave it to them. Let them do the job under the control of the superintendent of insurance, and then you will have something that is worth while. I certainly commend the bill to the house.

Mr. A. W. NEILL (Comox-Alberni): I wish to support the hon. member who has just sat down (Mr. Ross, St. Paul's) on his suggestion that $50,000 is too small a sum to carry this policy. If Vancouver or Halifax were bombed for an hour, $50,000 would be a mere fleabite in satisfying the demands that would be made. Even if it were $200,000, the same thing might apply.

I want to accept the challenge of the leader of the opposition (Mr. Hanson), although I am not a member of the legal profession. He challenged support from any member of his own profession—he narrowed it down to that—in his opposition to legislating too much by way of regulation. As one who has suffered many things for many years from that practice, I heartily endorse him, lawyer or no lawyer. Someone once said, "Let me make the poems of a country and I care not who makes the laws." I would say, let me make the regulations under an act and I do not care who makes the act, because I have seen the whole spirit and sense and purport of an act crucified by regulation. It is something that lends itself to abuse. It is necessary to have some regulations, for there are very few acts which do not require something of the kind. Section 32 says that the governor in council may, on the recommendation of the minister, make regulations, and it gives three or four specific instances. One would think they were fairly limited to these things, but it goes on to say:

(a) as to the manner of making and the forms of policies. . . .

That seems as if it would confine it to the form of the policy, but under the Old Age Pension Act the same provision is put in,

giving them power to draw up the application form. Of course the application form must or should be limited by the terms of the act. But what did they do? They said the act gave them power to make an application form and to put anything in that application form they chose. And they did, and nearly made a new act. I am glad to see that in the last few weeks the British Columbia supreme court granted an appeal brought forward on behalf of a poor old age pensioner and decided that these autocratic bureaucratic regulations must not override the actual meaning and intent of the act. While I admit that you must have some regulations, they ought to be limited as far as possible and their abuse prevented.

I understand that by regulations made some months ago or perhaps a year ago, provision was made that any damage to life or person of seamen or fishermen, or to their boats I think, should be compensated; I presume such personal injury does not come under this bill which deals wholly with insurance of property against damage and war risk. This is considered important enough to call for a special act. The other protection is even more important inasmuch as it relates to human life, the protection of fishermen and I think other people too who lose their life or are maimed by bombing or enemy action; would the minister not deem that sufficiently important to deal with by a separate act also? Because regulations might come and go, sometimes they go with the government or the individual who formulated them. It would be more satisfactory to have such an important matter concerning the lives of a great many fishermen on our coasts dealt with by statute also.

Mr. BRUCE McNEVIN (Victoria, Ont.): I note that by clause 4 of this bill establishing an insurance scheme to cover war risks the minister may establish one or more schemes of insurance. Might I ask the minister whether it is the intention to make provision for damage resulting from falling aircraft? Falling aircraft might be Canadian government aircraft or United States or British aircraft.

Mr. SPEAKER: I would point out that the debate on the motion for second reading is not the proper time to put questions to the minister.

Mr. McNEVIN: Then I wish to refer to cases where there has been damage done by aircraft of the Canadian air training plan. My understanding of the situation is that there is a committee which has power to make settlements, but there is no statute governing the matter, and therefore an individual whose property or person might suffer damage is entirely dependent on what might be termed a charitable attitude of mind on the part of this committee. There have been cases where very substantial loss has occurred from falling aircraft, in some instances British aircraft, associated, I assume, with the commonwealth air training scheme. I can give two examples. I am speaking only from memory, but I believe that in the province of Quebec a farmer, or perhaps the better term would be a truck farmer or vegetable grower, had his barn destroyed by fire resulting from a British aircraft crashing. I think the British representatives in Canada have power to make settlements up to $1,000; but if the loss exceeds $1,000, then the whole circumstances must be reported to the authorities in the old country for decision. Naturally that takes many months, and very substantial loss does accrue to an individual in waiting for a settlement. In this man's case the insurance company made a token payment of $200, but that would not replace his barn or equipment or seed, and therefore he is left in an unfortunate position.

In another case, I believe in Ontario, a falling aircraft destroyed a boathouse, and two persons lost their lives. We have no statute fixing the responsibility in such cases. If I am correctly informed, in both the United States and Great Britain there is a statute covering such incidents. As we now have one of the most extensive air training schemes in the world, such cases are likely to increase, and I do not think it should be left to the discretion of any committee to deal with these important and difficult matters. We have some insurance companies that now include damage by falling aircraft in their coverage; but a large number of insurance companies are not prepared to accept that class of risk, very largely because they are dependent, as I have stated, upon a charitable attitude of mind on the part of the committee as to whether compensation can be secured for such loss.

Therefore, if it is not the intention of the minister to institute a scheme to cover such damage, then I believe a separate bill should be introduced to cover matters of this kind, because Canadian citizens are suffering great inconvenience and substantial loss in the time intervening before settlement is made. For example, if an aircraft destroys some fruit trees, the committee has power to make settlement. One of the bases of settlement is that the identity of the aircraft must be established. That is sometimes very hard to do. If a bus or truck or automobile has an accident, then the operator of the vehicle

must remain at the scene of the accident. But it would not be possible for the pilot of an aircraft to remain at the scene of the accident, because there would not be landing facilities there. The law should provide that where an aircraft does damage, there is an onus upon the pilot to report as soon as he reaches his destination that he had an accident which resulted in damage to life or property. I am firmly convinced that it is time a statute be enacted in order fully to cover such a condition as I have outlined.

Mr. GORDON GRAYDON (Peel): In rising to take part in the discussion with respect to Bill No. 56, I may say I was much impressed by reading to some extent the discussions which took place upon a bill involving to a limited degree the legislation passed by the British House of Commons in 1941, known as the War Damage Act. As was pointed out to-night by the leader of the opposition, there are very substantial differences and distinctions as between the principles of this bill and the principles embodied in the legislation in the old land. For one thing, the question of compulsory insurance has not been adopted by this government in the legislation which is now before the house.

Like my leader, at this stage I am not in a position to suggest to the government that at the moment in Canada there should be anything like compulsory insurance of war risks. But the government might very well give consideration to the extension of the legislation, as time and circumstances may dictate, so that if it should become necessary in Canada for some compulsory form of insurance on war risks, it could readily be enacted, and we could be prepared for such a step.

I wish, however, to voice my opposition to the method by which this legislation is to be carried out. I do not know that I would have objected quite so vehemently against the principle of the carrying out of the legislation in this particular instance were it not for the fact that it followed in a long trail of regulations which are attached to our legislation from time to time. Surely it is becoming clearer from day to day to hon. members that this chamber is dealing with—well, I was going to say matters of almost minor importance, in some instances, in connection with our whole war effort administration.

When the War Measures Act was first brought into operation during this war the object most hon. members had in giving it their support was that it would be a convenience and an accommodation to the government. In addition to that, we felt it would be of tremendous advantage in the event of any emergency which might have developed from the war. But I do not believe private members generally ever expected the government of Canada to utilize the provisions of the War Measures Act to the extent to which they have been utilized in the last two and a half years. Furthermore, they have extended the principle embodied in the War Measures Act in bills such as this one, and have left nothing but a skeleton for us to deal with in the house, and they have relegated almost the entire legislation to regulations.

I protest against that, because it seems to me that we are not following the precedent established by parliament in the old country. I have before me the War Damage Act of 1941 passed by the parliament of the United Kingdom. This is an act which was debated for many days, and which consists of 102 sections. That was the bill passed in the United Kingdom, as opposed to this bill of only 34 sections now before us. It seems to me that even if we eliminate the matter of compulsory insurance which was embodied in the United Kingdom act, we have not left to this parliament the proper scope and proper sphere of legislative activity to which this chamber and parliament are justly entitled.

The minister may attempt to justify the regulations on the basis that this is more or less an experiment in war risk insurance. Nevertheless the principle of government by order in council is there. Here again we have the principle of government by regulation instead of by the people. After all, we cannot treat lightly the trend taken by the government with respect to matters which I think might most appropriately form part of the discussion in this chamber.

In Great Britain the history of war risk insurance was one of slow movement. In the first instance there was a commission headed by Lord Weir which investigated the question of war risk insurance in the old land. In those earlier days that commission brought in a report opposing such a scheme, but that report was subsequently overruled, and the act to which I referred a few moments ago was the first step toward protecting the people in matters of that kind. The War Damage Act of Great Britain embodied not only the question of business principles but went almost to the root of the entire social fabric itself.

At this time I should like to read to the house one paragraph from the debates on that bill which took place in the British House

of Commons on December 17, 1940. In answer to the Chancellor of the Exchequer, Sir Kingsley Wood, Mr. Pethick-Lawrence, the hon. member for Edinburgh East had something to say which, it seems to me, indicates clearly what was at the root of the legislation. More than that, it indicates the social and economic movement in the old country. This is what was said on that occasion:

> This decision is one which I have felt has very wide ramifications, because in olden days the idea that the community was not responsible in any way for individuals was widely held. It was held with regard to unemployment; it was held with regard to accidents to work people. Gradually we have come to see that we are essentially one another's keepers in these matters, and that we cannot allow people who are injured through circumstances over which they individually have not full control to bear the full burden of their individual losses. The community has, therefore, stepped in. It is stepping in to-day in this matter, and it will have to step in more and more under the complicated system of modern society to meet the immediate dangers to which the individual becomes liable.

Then he went on to deal with the provisions of the war damage bill which was then under discussion. Under the British act, of course the whole matter of compulsory insurance was considered, and that phase perhaps need not be discussed in dealing with the bill we now have before this house. I should like, however, to point out that it seems to me the present legislation can be regarded only as an initial experiment on the subject.

I can readily understand the difficulties facing the minister in connection with bringing in a measure of this kind, because first of all the question of vulnerable areas comes in. Then there is the question of the difficulty of getting private companies to assume the risks which normally would occur from war-time activity. There is the further difficulty arising from the different forms of warfare this war has brought home to us so emphatically. I think he must in all fairness and all justice consider how this matter has been dealt with in Great Britain. I do not think it is sufficient simply to bring a skeleton bill before this house as he has done and leave so much to regulations.

I was interested in what was said by the hon. member for Victoria, Ontario (Mr. McNevin). In the area from which I come, I suppose that there are more training planes in the sky than in almost any other part of the country, and we are naturally interested in the question of war risk for this type of loss. It is true that up to the present time it has not been substantial. Section 2, the interpretation section of the bill, has this to say with respect to war risk damage in paragraph (l):

> . . . but does not include damage occurring as the result of the restrictions imposed on the display of lights—

I assume that this would not cover blackouts.

> —or of measures taken for training purposes.

I take it that the government has in mind the training of pilots and other men in connection with the empire training plan. I think the government should consider the suggestion made by the hon. member for Victoria, Ont., because I believe that many areas in the dominion would be affected.

In connection with war risk premiums we have nothing in the bill to guide us as to what these will be. There is scarcely anything upon which we can base an argument, because this legislation is quite different from that of the United Kingdom, and no comparison or contrast can properly be made.

I would suggest to the minister in charge of this legislation that when the question of war risk premiums comes before the committee he give serious consideration to one particular point, and with this I close my remarks. We have in Canada many men and women who are householders and who are on active service. The homes owned by these people, or the other buildings that they may own, would ordinarily come within the purview of the regulations if, as and when they are made. We should not be picayune with regard to our treatment of these people. I know it is the intention of the government to do the best they can as they see it in their own light, but in many instances I am not sure but that we are treating fairly these men who are serving us on active service. I do not say that with any idea of demagoguery, but I think in this as well as in other matters we should give more consideration to these men. It would not mean much to the country, but it means a tremendous amount to them. If the morale of our fighting forces is worth anything, it is worth a good deal.

In bringing down any legislation we should be careful to see that the maximum of protection is given to these men. Having regard to the provisions of this bill, I suggest to the minister that in connection with men on active service who normally would be taking out war risk insurance, the premiums should be borne by the dominion government. It seems to me that when men are fighting overseas for us we might make this concession in their favour. I believe it is a right and just charge upon the

taxpayers whom these men are protecting in the fight for righteousness and freedom. I leave this suggestion with the government because I believe it has some merit, merit which goes further than the mere question of saving a few dollars for the treasury of Canada. It means going one step farther and doing something worth while to improve the morale of these men and to provide a proper relationship between the men who are fighting and those of us who are legislating on their behalf.

Mr. D. KING HAZEN (St. John-Albert): Mr. Speaker the purpose of this bill is to set up a system of insurance of property against war risk and to provide for the payment of compensation for war damage. It was suggested by the hon. member for St. Paul's (Mr. Ross) that the bill might well include insurance against injury to the person, and the hon. member for Comox-Alberni (Mr. Neill) suggested that a separate bill might be introduced for that purpose. I think those suggestions should receive the careful consideration of the government.

The regular insurance companies have refused to issue war risk insurance since the Japs attacked Pearl Harbour, and legislation of this kind becomes necessary.

There are certain definite provisions in this bill. It provides that the owner and occupier of a dwelling house will have his home insured without cost to himself up to an amount not exceeding $3,000. It contains certain provisions for insurance against loss to personal property without cost to the owners of that property. It provides also for indemnity in the case of loss prior to the bill being passed, but only to a limited amount. I take some exception to the limit of $50,000 imposed by the bill upon the payment of damages incurred before the bill becomes law. In my constituency there is a hospital which stands in a prominent place and which provides a vulnerable object for attack. This building cost well over a million dollars and, if it were destroyed prior to the bill becoming law, the damages would be limited to $50,000.

I think the bill should contain a provision to protect a mortgagee, a man who has lent money for the construction of a home. Our ordinary fire insurance policies provide that in such cases loss shall be payable to the mortgagee as his interest may appear, and it seems to me that this bill should contain a provision for the payment of any loss that may be sustained by a mortgagee under these circumstances.

There are certain provisions in this bill, however, to which I take serious objection. The bill provides that the rest of the plan will be established by regulations which will not be made by or apparently approved by the members of this parliament.

The bill provides that regulations will be made as to the manner of making and the forms of the policies, and as to the endorsements on and the applications for the policies.

It provides that regulations shall be made about the premiums to be paid, and about the standard conditions that will be incorporated in the policies; that regulations will be made to authorize insurance companies to execute policies and collect premiums.

In my opinion this system of insurance should not be set up by regulations or by order in council. There is altogether too much government in this country by order in council to-day.

The premiums to be paid, the form of policy, the form of endorsement, the form of application, the terms of the agreements which are to be entered into with the insurance companies—all these should be embodied in the bill or in schedules annexed to it.

The Minister of Finance (Mr. Ilsley) told us when he introduced the resolution that the bill was presented after an exhaustive study had been made from coast to coast. The conclusions of that study should have been embodied, it seems to me, in this bill and should not be left to regulations to be made by civil servants or by an advisory committee that is not responsible to the people of this country. The laws of the dominion should be made in this chamber, with the suggestions, the criticisms and the opposition of the elected members of parliament. We should not delegate our powers to a greater extent than is necessary even in times of war.

We should not let legislative boards or civil servants or advisory committees carry out duties that we were elected to perform, and members of parliament are negligent in their duty to their constituents if they permit the laws of this country to be made by regulations, the terms of which they do not know and have not passed upon or approved. All the provisions of the plan should be inserted in the bill that is submitted to parliament.

If it becomes necessary, as it doubtless may, to make regulations from time to time when parliament is not sitting, such regulations should have force of law only until parliament reassembles and passes and approves them. If parliament does not approve the regulations when it reassembles and they are submitted to it, they should cease to have the force of law.

This bill is contained in eleven printed pages. The War Damages Act of 1941 passed by the parliament of Great Britain for a similar purpose is contained in about ninety-five pages. This bill is shorter, but the regulations passed under it no doubt will be very long. The bill passed by the parliament of Great Britain is long, but the regulations in all probability are short.

I hope that the committee which considers this bill will see to it that it is amended in such a way that all the details of the plan are contained in the bill itself and that the law is not made by regulations about which the members of parliament will have no say.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, there is one matter which I think should be brought to the attention of the Minister of Finance (Mr. Ilsley) in connection with this bill. I wish to commend him for the purpose and principle of the bill, but I do not think it goes far enough, as perhaps the minister himself would be the first to recognize. It should be broad enough to provide for the protection of all property in the dominion which might be endangered or injured as a result of the war activities in which this country is now engaged. I do not believe that protection of property from war damage should depend entirely on whether or not the owner of the property may have made a contract with the minister. There will be many classes of property in this country which will need to be protected, the owners of which for one reason or another will not have been able to make a contract with the minister in time to protect the property against eventualities which might rush upon us at any moment. I believe there should be something in the bill to take care of situations of that kind. Probably there is, but so far, I have not been able to find it.

The main suggestion I would make to the minister is this. It might be well in a country like Canada to organize this insurance measure in such a way that the provincial governments will cooperate more fully in the organization and administration of the scheme. Already there is at least one province which is going into the insurance of property in rather a big way. I see no reason why each province should not be acting similarly, and I see no reason why cooperation should not be organized between the dominion and provincial governments with the object of accomplishing the aims of this measure.

I intended to comment on the fine spirit of cooperation with the provinces which was manifested in the proposals of the Minister of Labour (Mr. Mitchell) yesterday with respect to the youth training and vocational training schemes. I think that is the correct conception of carrying on in this dominion. There has been far too much tendency on the part of a great many people in charge at Ottawa to think that somehow or another they ought to run the show. There is a place for Ottawa to fit in, very definitely; but there is also a place, very definitely, for each of the provincial governments; if the people of Canada get the idea that this country cannot be carried on successfully without centralization, the whole country is headed for trouble. Even in a matter like this insurance bill, the fact should not be lost sight of for a moment that the provincial governments are just as vitally concerned with the property within their borders as is the dominion, and consequently will be just as ready to cooperate and work hard to bring about a set of conditions under which that property will be saved. Then there will be no feeling, on the part of provincial officials at least, that there is a tendency to centralize control at Ottawa. I would suggest to the minister that, if the bill is to be redrafted, he keep in mind this idea of organizing a scheme under which the provinces will cooperate with him and perhaps remove a great deal of the burden from his shoulders, and under which also the provinces will be a great deal happier.

Mr. J. R. MacNICOL (Davenport): May I refer for a moment to the definition of "householder" as contained in paragraph (e) of section 2 of this bill. It reads:

> (e) "householder" means an individual occupying and maintaining a self-contained domestic establishment at his own sole expense and maintaining and supporting therein one or more persons connected with him by blood relationship, marriage or adoption.

That would bar from any protection a great number of people who maintain houses—widowers, and widows, who do not have living with them anyone of blood connection. Where would that great number of householders obtain protection under this bill?

Mr. SPEAKER: The hon. member will understand that we are not in committee. He has finished his remarks? When the minister replies it will close the debate.

Mr. G. K. FRASER (Peterborough West): It is getting late. I did intend to speak, but I am on the banking and commerce committee, and what I have to say I could bring up then. I do wish to say, though, that I feel that this bill is absolutely needed, because neither the minister nor anyone else knows when Canada may have an enemy attack,

and if we do have an attack of that kind there would be a great amount of damage. Therefore, the sooner this bill is put in force, the better for Canada.

There are a few items upon which I wish to remark. I had noted the matter of military aeroplanes used in training; also, in regard to section 2, paragraph (1) (iii), the "proper authority", and also "the carrying out of any attack", that that should include, I imagine, A.R.P. work, because they might do damage, or damage might be done in training, and those things should be covered. That is especially the case when one remembers that bombing planes carry over two thousand incendiary bombs, and it is known that one hundred and thirty-three out of every thousand bombs will cause fires, seventy-five of them being fighting fires, and we have to be prepared. I will speak in committee on these matters.

Hon. J. L. ILSLEY (Minister of Finance): Mr. Speaker, I wish to express my appreciation of the assistance which hon. members have given by their suggestions to-night. I know there are other hon. members who have suggestions to make, but who, from a sense of responsibility and appreciation of the situation, have decided to postpone their remarks until the bill is discussed in the banking and commerce committee. I wish to express my appreciation of their attitude as well.

Although the discussion this evening has not been long, it has taken a fairly wide range; various sections of the bill—definitions and so forth—have been referred to; and I am afraid it will not be possible for me to deal seriatim with the points which have been raised in the debate. On two or three occasions questions were put to me by hon. members opposite and others in the house. I refrained from answering them because under the rules it is not permissible to answer questions in a debate; they can be answered, as I understand it, only by the person who has the floor, upon request; and I should like to say now that I did not intend any discourtesy to any hon. gentleman who asked me questions when I refrained from replying. I shall try to answer them now if I can recollect them.

The leader of the opposition directed attention to a rather important feature of the bill. If his objection is well founded, it is fundamental—an objection, however, to drafting rather than to principle. It is not intended by section 4 of the bill to empower the minister to establish schemes of insurance which are not authorized by section 3 and other sections of the bill. That is to say, this is a bill for the establishment of schemes of war risks insurance, not a bill authorizing the establishment of schemes of insurance generally. The leader of the opposition advanced an argument, which appealed to me as ingenious rather than sound, to the effect that the bill as drafted gives a very wide power to the minister to establish schemes of insurance generally. That is not the purpose, nor do I think it is the purport of the bill. Certainly, if there is any danger of the bill being construed in that way it should be amended, and that matter should receive attention in the banking and commerce committee.

The leader of the opposition has made some reference to the deductibility of premiums for income tax and excess profits tax purposes. I thought that, in the explanation of the bill which I gave the committee of the whole when the measure was in the resolution stage, I presented the reasons why it was deemed advisable to provide that these premiums would not be in all cases fully deductible. To put a simple illustration to the house: if the premium is—for the sake of example—15 cents per $100, and one company taking out insurance is in what we call the 79½ per cent class under the Excess Profits Tax Act—roughly 80 per cent—that company would really be paying only 3 cents and the government 12 cents of the premium; while a company alongside, a competing company, which was not in that class under the Excess Profits Tax Act, but was paying 40 per cent, would be paying 9 cents out of the 15 cents and the government the other 6 cents. I put that rather briefly and perhaps not too accurately, because in a sense the government is not paying anything, but the government is paying by loss of taxation in both those cases. In the one case, however, the loss of taxation to the government is 12 cents, and in the other case the loss of taxation to the government is 6 cents. It was with a view of equalizing the treatment of those who insure their properties that the provision which is in the bill was inserted there. As I stated to the house, the matter of income tax treatment and excess profits tax treatment of those who insure their properties is a difficult one. There are three tenable positions. One is that the premiums should not be deductible at all, on the ground that they are not incurred as a necessary expense of earning the income but are really expenditures incurred for the preservation of the capital asset. Another is the position taken by the leader of the opposition, that they should be fully deductible, just as fire insurance premiums are fully deductible. A third is the compromise which I have sug-

gested in the bill before the house. I merely mention that because it was mentioned by the leader of the opposition and because the matter is one of some importance.

Objection has been taken by several hon. gentlemen to the bill on the ground that too much power is given to the governor in council. That position is always taken by oppositions. When this party was in opposition we took the same position repeatedly with regard to measures of the government of that day, and objections to our legislation have repeatedly been put forward on the ground that we leave too much to the governor in council. There is a difference between war-time conditions and peace-time conditions, and I think the argument for leaving a great deal of discretion and power to the governor in council in time of war is very much stronger than in time of peace. In support of that submission I would direct the attention of the house to the fact that the War Measures Act, which was passed I think in 1914 or 1915, substantially in its present form, expressly gave the governor in council power to enter into contracts of insurance of this kind without reference to parliament at all. I should say the war appropriation acts, not the War Measures Act. In a series of war appropriation acts power has always been given the governor in council, among other things, to take a part of the money appropriated by the act for the purposes of promoting the continuance of trade, industry and business communications whether by means of insurance or indemnity against war risk or in any other manner whatsoever; and it would have been strictly within the legal and constitutional powers of the government, not only under the War measures Act but under the War Appropriation Act, to have made provision for this insurance by order in council.

It is because it is a large measure involving an appropriation of $5,000,000 at the outset, and perhaps involving the establishment and carrying on of insurance business of very large dimensions, a measure which certainly concerns parliament as the custodian of the funds provided by the people of Canada, by taxation and loans—it is because of the large and important nature of this measure and because it is a financial measure, that we felt it appropriate to bring it before the House of Commons. I do not feel, however, that we should be asked, either here or in the committee, to spell out every line of the policies which we may see fit to issue or every provision of the schemes which it may be necessary to establish, nor do I think it should be required of us to state what the rate or rates will be. This business is experimental to a considerable extent, and necessarily a large amount of discretion must be left to the government in establishing such a measure. The insurance of life and insurance against accident to the person as a result of war injury will be provided for by order in council. There are already certain schemes which may be described as insurance schemes. One I think of is a certain measure of insurance to A.R.P. workers. That was provided by order in council. There is in preparation before the treasury board at the present time, although it has come before the board only recently, within the last two or three days, a proposal for compensation to civilians for personal injuries as a result of the war. That is a matter which will be subject probably to change from time to time, and in regard to which amendments must be made. I think it appropriate and entirely in line with the action which has been taken in the past that that should be done by order in council. I am giving that information to the house because, just as I expected, certain members have asked in this debate what we intend to do about protection for civilians from injuries as a result of the war.

Another objection that has been raised tonight to the bill is that in the retroactive section, the section which provides for compensation to those persons who have not taken out policies because there has been no opportunity to take out policies, the limit of $50,000 is too low. An instance was given of a property worth $1,000,000 which might be destroyed before the bill becomes law. The question was asked, what fairness is there in limiting the amount recoverable to $50,000? Naturally we hope and believe that no loss of that magnitude will take place; but if full compensation were to be made in that case, the owner of that property would get the benefit of the assumption that had the bill been law he would have insured his property for the full million dollars, which is an entirely unjustifiable assumption. The compensation is free, retroactive compensation, and I think it is fair that there should be some limitation of that compensation. Whether $50,000 is the proper amount, I do not know. It is an arbitrary amount and there may be an argument about that feature of it, but certainly there would be no fairness in providing in this bill the same amount of compensation to persons who had not insured, who might never have insured, as there would be to persons who had insured and paid the premium.

Mr. GRAYDON: Has the minister any idea as to prospective claims under that?

Mr. ILSLEY: There will be none if there is no bombardment. I have no ideas about what is going to happen.

Mr. GREEN: Is it intended that the home owner who suffers damage before the measure goes into effect shall receive $3,000? There is no retroactive section applying to the home owner. Perhaps it is the intention of the government that he should be covered just the same. The retroactive section applies only to the man who has to take out insurance.

Mr. ILSLEY: My understanding is that the home owner would recover. Perhaps that is not clear from the section, but I think it certainly should be.

Mr. GREEN: Is that the intention—that if there were bombing to-night, the home owner would be covered as though the bill had already been passed?

Mr. ILSLEY: It is my understanding. It is a matter that should be dealt with in committee, but it comes as a fresh thought to me that because he is a home owner instead of a property owner he is discriminated against. I do not think that could stand for a moment.

The hon. member for Victoria, Ontario (Mr. McNevin) raised the question of insurance against damage from falling aircraft. That is a matter which can be looked into in the committee, but I want to point out not only to that hon. member but to some others who advocated a wider range of coverage, that the government has no desire to provide insurance that is being provided now even by a few companies. It is only because war risk insurance is not provided at all now that the government is getting into this business. I understood the hon. gentleman to say that some companies provided it, but not all. The object of this measure is not to give a cheaper form of insurance or a more convenient form or anything of that kind; it is to give insurance that cannot otherwise be obtained.

Mr. FRASER (Peterborough West): None of them has issued any since Pearl Harbour.

Mr. ROSS (St. Paul's): Falling aircraft, yes.

Mr. ILSLEY: I understood the hon. member to say that some companies do insure against damage by falling aircraft.

Mr. McNEVIN: Yes, but the point I was interested in is, if it is Canadian army training aircraft there is a responsibility upon the government to pay compensation, but there is no law providing that they must; it is dependent on a charitable attitude of mind. There should be some statute settling the obligation, as regards not only our own aircraft but United States and British aircraft.

Mr. ROSS (St. Paul's): I think such insurance is available at the present time.

Mr. ILSLEY: I understood it was.

I think those are the main points that were advanced by hon. members in the debate. There were other matters of definition, matters of considerable detail that I am not prepared to deal with at the moment, but which can be considered in the banking and commerce committee when the measure goes before that committee.

Mr. GREEN: As I read the bill, damage by sabotage is not covered?

Mr. ILSLEY: Correct.

Mr. GREEN: Why not? For example, an enemy agent blows up a war factory, with resulting damage to many people; why are they not covered?

Mr. ILSLEY: I do not know that I can answer that very satisfactorily, but I think it is that the matter of sabotage is very hard to determine. I think it would result in endless debate as to whether the damage really was due to sabotage or some other cause, I believe that is the main reason for not putting it in. The kind of damage insured against here is damage the cause of which is readily ascertainable; it is there for every one to see. There may be other reasons as well, but that is what occurs to me at the moment.

Mr. GREEN: Of course by ruling out sabotage you give the person who suffers the damage no chance at all. Would it not be more fair if he were left in the position that if he could prove the damage was caused by sabotage, he would be covered?

Mr. ROSS (St. Paul's): I think, for example, riot and civil commotion can be covered without any difficulty. I understand that the one purpose of this bill is to give coverage that cannot be obtained in any other way at the present time to anyone who wants to insure. That, I understand, is the principle.

Mr. ILSLEY: Yes; that is correct, to give coverage against damage from war risks which cannot be obtained from the insurance companies. I do not know whether sabotage can or cannot be covered, and there may be other reasons in that case. I think there are.

Mr. ROSS (St. Paul's): There is one other thing that I think is important. Would the minister answer the question in connection

with the $50,000? Perhaps I was out of the house and did not hear him. I cannot see any reason why the bill is to cover up to $250,000 and still we have that $50,000 at the present time.

Mr. ILSLEY: I attempted to answer that. If the hon. gentleman will look in *Hansard* to-morrow at what I said, I think that will be sufficient for the time being. If he wishes, he can raise the point again in the committee.

Mr. McNEVIN: This discussion is perhaps out of order, but as to the point raised by the hon. member for Peterborough West (Mr. Fraser) I am only depending on recollection but I think that last year the banking and commerce committee passed an amendment requested by an insurance company whereby their charter was enlarged to cover damage by falling aircraft.

Mr. ROSS (St. Paul's): That is right.

Mr. McNEVIN: But that is only one company, and a very large number of insurance companies are not prepared to accept that obligation until there is specific provision whereby the government accepts responsibility for damage.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Wednesday, April 22, 1942

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

SYNTHETIC RUBBER

Mr. ESLING:

1. Has the Standard Oil Company of the United States or any of its subsidiaries in Canada or any oil company in Canada registered with the commissioner of patents, rights for the manufacture of synthetic rubber?

2. If so, have any such rights been offered for the use of the Canadian government?

Question dropped.

PULPWOOD CONTROL

Mr. HATFIELD:

1. Has a pulpwood controller been appointed? If so, who is he?

2. Upon whose request was such controller appointed?

3. Have advisory committees been appointed in different sections?

4. If so, please list the committees, giving names of appointees, stating upon whose recommendation such men were selected?

5. Is there a serious shortage of pulpwood in Canada?

6. If so, in what sections does the shortage prevail?

7. Is there a ceiling price on pulpwood?

8. If so, is production being restricted because the ceiling price is too low?

9. Is volume of production or the ceiling price the most important?

10. What prevailing regulations restrict the export of pulpwood to the United States?

11. Is there a ceiling price in the United States?

12. Is the Canadian ceiling, if any, the same as the price ceiling in the United States, considering the rate of exchange?

Mr. HOWE: Stand.

Mr. HANSON (York-Sunbury): I would ask the Minister of Munitions and Supply (Mr. Howe) if he will be good enough to expedite the answers to these questions. The situation is quite serious in New Brunswick and it will become more serious unless the position is clarified. The peeling season will be on almost immediately.

BANK OF CANADA—SHORT TERM SECURITIES

Mr. CARDIFF:

1. What dominion government short term securities are held by the Bank of Canada?

2. When were these securities issued and what is their maturity date?

3. For what purpose were these securities issued?

4. What other dominion government securities are held by the Bank of Canada?

5. When were these securities issued and what is their maturity date?

6. For what purpose were these securities issued?

7. By what means did these securities come into the possession of the Bank of Canada?

8. What provincial government short term securities are held by the Bank of Canada?

9. When were these securities issued and what is their maturity date?

10. For what purpose were these securities issued?

11. What other provincial government securities are held by the Bank of Canada?

12. When were these securities issued and what is their maturity date?

13. For what purpose were these securities issued?

Mr. ILSLEY: The information asked for in regard to Bank of Canada's holdings of specific securities is not of government record. The Bank of Canada Act sets forth the classes of securities which the bank may acquire and places limits on holdings of securities having a term longer than two years. Certain safeguards have therefore been prescribed by

parliament, but no statutory provision exists for the publication of a detailed list of securities held. It is not considered that the dissemination of such information would serve any public interest. It might, in fact, work against the public interest by disclosing information which might benefit a limited number of persons operating in the security markets. The latest weekly statement of the Bank of Canada (April 15, 1942) shows the following holdings of dominion and provincial securities, classified as to whether they mature within two years or after two years, as required by the Bank of Canada Act: dominion and provincial government short term securities, $382,172,082.77; other dominion and provincial government securities, $214,869,680.81; total, $597,041,763.58.

See sessional paper No. 177 for details of dominion of Canada bond issues sold since September 1, 1939, in the first instance to the Bank of Canada. (This does not, of course, mean that all such securities are now held by the Bank of Canada.)

BEEF CATTLE EXPORTS

Mr. ROSS (Calgary East):

1. What recommendation did Mr. Donald Gordon, wartime prices and trade board chairman make to the government for dealing with the control of Canada's beef cattle exports?

2. Will the government refer Mr. Gordon's recommendations to the agriculture or some other committee of this house for consideration before acting on it?

Mr. ILSLEY: I submit that this question is not in order. The first part asks what recommendation has been made by the chairman of the wartime prices and trade board to the government for dealing with a certain matter. That is an internal matter; it would be a communication passing between the government and one of its officials. The second part of the question relates to a matter of government policy, to which the usual answer is that the government's policy will be announced in due course.

Mr. HANSON (York-Sunbury): Is not the real objection the fact that the question is rather embarrassing?

Mr. ILSLEY: There is nothing embarrassing about it.

ST. LAWRENCE WATERWAY

Mr. CHURCH:

1. What is the present position of negotiations between the government of Canada and the government of the United States on the St. Lawrence waterways and power development?

2. What action has been taken in the matter?

[Mr. Ilsley.]

Mr. CRERAR:

1. An agreement providing for the St. Lawrence waterways and power development was signed at Ottawa, March 19, 1941. It is now before congress in Washington for approval. It has not been ratified.

2. Answered by No. 1.

REPRESENTATION OF VICHY GOVERNMENT IN OTTAWA

Mr. CHURCH:

1. Does the ambassador for Vichy still reside in Ottawa?

2. What is his name and present status?

3. Who compose his staff, where are they located and in what cities in Canada are offices maintained?

Mr. CRERAR: Information in reply to the three questions listed above was furnished to the House of Commons on January 22nd last and will be found on page 3 of *Hansard* of that date. There have been no changes in the personnel of the French legation, the status of the minister, or the location of the legation offices since that date.

*SHORTAGE OF COAL IN GREAT BRITAIN

Mr. CHURCH:

1. Has the attention of the government been called to the recent severe coal famine in Cumberwell and many other parts of England and Great Britain?

2. Will the government consider arranging a large contribution of Nova Scotia and other Canadian coal or has it any proposals to aid this serious hardship and suffering in the mother country?

Mr. CRERAR: So far as I am aware the attention of the government has not been called to the matter referred to in this question. As to the second part of the question, I should imagine it would be extremely difficult to get any shipping to transport coal from Nova Scotia to Great Britain at the present time.

Mr. CHURCH: I meant for next fall and winter.

QUESTIONS PASSED AS ORDERS FOR RETURNS

ARMY BOOTS

Mr. FRASER (Peterborough West):

1. Have any wearing tests been arranged by the Department of National Defence on leather army boots?

2. Has any standard treatment been applied to army boots with a view to extending the average wearing life?

3. Has the attention of the department been called to the suggestions in this respect made by the select committee of the British House of Commons on national expenditures in their eleventh report?

Mr. RALSTON: Return tabled.

DECENNIAL CENSUS—OLD AGE PENSIONS

Mr. ESLING:

1. According to the last census, how many Canadian citizens are seventy years of age or over?

2. How many residents in Canada are in receipt of old age pension?

VALLEY FIELD CONSTRUCTION COMPANY

Mr. NICHOLSON:

1. What is the total value of contracts awarded to the Valley Field Construction Company since war began?

2. What is the total value of contracts awarded to the Valley Field Construction Company by Wartime Housing Limited?

MOTIONS FOR PAPERS

COMMODITY PRICES STABILIZATION CORPORATION

Mr. CHURCH:

For a return showing—1. A list of the price ceiling subsidies issued, the estimated amount of same and on what articles, or in what trade and commerce.

2. A list of the members of the Commodity Prices Stabilization Corporation, a list of their chief officers, servants and agents, showing where they are located, the number thereof, together with their salaries and other allowances.

3. Estimated cost of one year of maintaining the ceiling prices staff herein, and the aggregate number of officials and total payroll.

4. The estimated cost per annum of the operation of this corporation.

5. The walks of business life that are not yet supervised or directed by any departments of state.

6. What training the members of this corporation and their chief officials have had in actual trade or commerce, or in a competitive business.

7. What minister of the crown is responsible to parliament for the work of this corporation.

Mr. ILSLEY: I would ask that this motion stand. I expect to make a statement to-morrow on the question of subsidies, after which this motion can be disposed of.

Mr. CHURCH: Will the minister deal with the statement which Mr. Gordon gave to a newspaper reporter a week ago? Mr. Gordon gave him this very information which was refused to this house before Easter. Is the minister responsible for the statement made herein by the chairman of the wartime prices and trade board?

Motion stands.

COMBINES INVESTIGATION ACT—LEGAL SERVICES

Mr. CARDIFF:

For a return showing the names of all counsel retained since January 1, 1940, in connection with prosecutions or other legal work under the Combines Investigation Act, together with a statement of the total amount paid to such persons by way of fee, living allowance, travelling expenses or on any other ground.

DOMINION-PROVINCIAL INCOME TAX AGREEMENTS

Mr. STOKES:

For a copy of all final agreements entered into between the government of Canada and the governments of any province with reference to the proposed vacation by the provinces of the fields of income and corporation taxes.

Mr. STOKES:

For a copy of all letters, telegrams and other documents exchanged between any minister or official of the government of Canada and any minister or official of a provincial government since February 20, 1942, with reference to the proposed vacation by the provinces of the fields of income and corporation taxes.

TORONTO SEWAGE DISPOSAL PLANT—USE OF STEEL

Mr. CHURCH:

For a copy of all orders in council, letters, telegrams, rulings, regulations and other documents exchanged between the steel controller or Department of Munitions and Supply or any officer thereof and the corporation of the city of Toronto or chief officials thereof, relating to the use of steel for the new sewage disposal plant at Toronto.

CONTROL OF BEEF CATTLE EXPORTS

Mr. ROSS (Calgary East):

For a copy of all letters, telegrams, reports and other documents dealing in any way with the control of Canadian beef cattle exports, exchanged between (a) any minister or official of the government and any member or officer of the wartime prices and trade board, (b) any minister or official of the government and any buyer, dealer in or producer of beef cattle in Canada, (c) any member or officer of the wartime prices and trade board and any buyer, dealer in or producer of beef cattle in Canada?

Mr. ILSLEY: I am quite content that this motion pass with the deletion of (a), for the reason that I gave a moment ago. It asks for the production of communications which are privileged.

Mr. ROSS (Calgary East): Mr. Speaker, I rise to a point of order. The members of the prices and trade board are officers of the crown, and not civil servants. As I understand it, communications that are privileged are those passing between the government and its civil servants. But the members and officers of the price board are officers of the crown rather than civil servants, and I therefore submit that these communications are not privileged.

Mr. ILSLEY: If the communications referred to in (a) are not privileged, then the communi-

cations referred to in (b) and (c) are privileged. We must go on one or the other principle, and the principle on which I am proceeding is that the board is an agency of the crown and that the members and officers of the board, all being appointed either by the civil service commission or by order in council are servants of the crown and in no sense distinguishable from civil servants. Communications passing between them and ministers or between them and the government are no more properly producible than the advice which a deputy minister gives to his minister. I think that is the sound position.

Mr. HANSON (York-Sunbury): On the point of order, the minister may always waive the privilege, and I suggest to him that it might be in the public interest that he waive the privilege now because evidently there are communications passing back and forth between the government and the board which I believe it is in the public interest to know.

Mr. ILSLEY: I do not know whether I can waive the privilege or not, but I would not care to do so even if I could. The precedent established would be exceedingly serious, for then every time a minister was asked to state what advice he got from his deputy or a branch head I am afraid the leader of the opposition would rise and appeal on grounds of public interest that the privilege be waived and the house be given the information. That has never been done to my recollection.

Mr. HANSON (York-Sunbury): The two cases are not quite analogous. The confidential relationship which exists between the minister and his deputy is far different from the relationship which exists between the minister and the chairman of the wartime prices and trade board.

Mr. CRERAR: Oh, no.

Mr. ILSLEY: Not one bit.

Mr. HANSON (York-Sunbury): Quite different in principle.

Mr. ILSLEY: Not at all.

Mr. BLACKMORE: I am not so sure but that the time has come when we ought to know where some of this bad advice is coming from.

Motion as amended agreed to.

VOCATIONAL TRAINING

APPOINTMENT OF SPECIAL COMMITTEE TO CONSIDER BILL NO. 64

Hon. HUMPHREY MITCHELL (Minister of Labour) moved:

That a special committee consisting of Messrs. Bruce, Donnelly, Edwards, Fraser (Peterborough West), Lafontaine, Leger, McCulloch, Marier, Mitchell, Noseworthy, O'Brien, Reid, Roebuck, Shaw and Winkler, be appointed to consider a bill intituled: "An act to assist in the carrying on and coordination of vocational training" and that the said committee be empowered to send for persons, papers and records and to report from time to time.

Mr. SPEAKER: I might point out that the motion as moved differs from the motion as it appears on the order paper, in that one or two names are substituted, as follows: the name of Mr. Martin is deleted and that of Mr. Roebuck added. The minister asks for unanimous consent to these changes so that the motion will be read as put.

Motion agreed to.

LOAN OF $750,000,000

TO MEET LOANS OR OBLIGATIONS, TO PURCHASE UNMATURED SECURITIES, AND FOR PUBLIC WORKS AND GENERAL PURPOSES

Hon. J. L. ILSLEY (Minister of Finance) moved that the house go into committee at the next sitting to consider the following resolution:

That the governor in council be authorized to raise by way of loan under the provisions of the Consolidated Revenue and Audit Act, 1931, an amount not to exceed in the whole the sum of seven hundred and fifty million dollars for paying or redeeming the whole or any portion of loans or obligations of Canada and also for purchasing unmatured securities of Canada and for public works and general purposes.

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.

THE PLEBISCITE

REFERENCE TO ARTICLE APPEARING IN "LE CANADA" OF APRIL 20

On the orders of the day:

Mr. T. L. CHURCH (Broadview): I should like to ask the Prime Minister (Mr. Mackenzie King) a question arising out of an article in *Le Canada* of April 20, last Monday, of which I will read only a part:

"By answering 'Yes' you keep conscription away," said Senator L. M. Gouin, in Montreal. "It is to prevent conscription that Mr. King asks to be freed from his pledges."

Was this authorized by the government? In view of the many different interpretations placed by some government ministers, members and provincial premiers on the construc-

tion of the question submitted on the plebiscite to be voted on next Monday, will the Prime Minister clarify the text of the question so as to enable the voters to understand it sufficiently to mark their ballots intelligently?

Hon. T. A. CRERAR (Minister of Mines and Resources): I believe that that is a question which should be answered by the Prime Minister, and I shall draw it to his attention.

BEEF

INQUIRY AS TO ACTION BEING TAKEN TO RELIEVE SHORTAGE

On the orders of the day:

Mr. G. K. FRASER (Peterborough West): On Monday the Minister of Agriculture said that in a day or so he would give a report to the house with regard to the beef situation. Is he now prepared to do so?

Hon. J. G. GARDINER (Minister of Agriculture): Mr. Speaker, we are getting closer to it all the time.

Hon. R. B. HANSON (Leader of the Opposition): I suggest that that is not an answer. This is an important question, and we ought to have a statement from the Minister of Agriculture at the earliest possible day.

Mr. GARDINER: That is about as close as I can get to an answer. We are drawing a little closer.

Mr. HANSON (York-Sunbury): I beg pardon; I could not hear the minister.

Mr. GARDINER: We will make a statement in a very few days with regard to it.

Mr. FRASER (Peterborough West): The Minister of Agriculture should do something about it at once, because there are stores in this country which have not any beef.

Some hon. MEMBERS: Order.

WAR APPROPRIATION BILL

PROVISION FOR GRANTING TO HIS MAJESTY AID FOR NATIONAL DEFENCE AND SECURITY

The house resumed from Friday, March 27, consideration in committee of a resolution to provide sums not exceeding $2,000,000,000 for the year ending March 31, 1943, for granting to his majesty aid for national defence and security—Mr. Ilsley—Mr. Vien in the chair.

Hon. J. L. RALSTON (Minister of National Defence): Two or three questions were asked me the last day that matters connected with the army were brought up. One was by the hon. member for Weyburn, with regard to a lease from the International Harvester Company of a building, in Weyburn I think it was. The hon. member had the idea, and so expressed it, that a building which had been leased by the department had been given up by the department and that when the manager of the company offered to allow the building to remain idle, so that it might be used again by the department, this offer was refused and the department insisted on carrying out the terms of the lease, which were that the department should put it in the same shape as it was prior to the leasing. He intimated that an expenditure of something like $2,000 had been made, and he said—I am reading from what he stated in the committee—at page 1665 of *Hansard:*

> It seems to me that this was a case of red tape actually interfering in what would have been an ordinary, common sense business transaction of accepting the offer of the International Harvester Company to let the building stand idle, to waive the rent and storage charges, so that in the event of the building being required the arrangement could have been picked up again right where it was dropped.

I had inquiries made about it, and my hon. friend is to some extent correct, in his suggestion that the local manager of the company indicated that he thought possibly it could be arranged that the building might stand idle and the department would not necessarily have to carry out its obligation to put it back in the same shape as it was before; that, perhaps, was the substance of the conversation between the representative of the department and the local manager. The local manager, however, said that he would refer the matter to the headquarters of the company at Chicago, and later he wrote this letter, from which I will read, dated October 20, 1941, addressed to Captain Evans, Department of National Defence, Military District No. 12, Regina:

> This will acknowledge your telephone conversation of a short time ago, advising us that it is the intention of the dominion government to cancel the lease on the above Weyburn property to take effect November 30th, 1941.
>
> The writer had some conversation with you regarding the removal of your improvements and other matters per your lease with this company, feeling that this work could perhaps be done at a later date.
>
> The writer took this matter up with Chicago office, and we are to-day in receipt of their letter, which states in part as follows:
>
> "We have discussed this matter, and it is our feeling that the terms of the lease should be complied with whenever the government vacates the building."

Unless the government intends to continue their occupancy of this building, all of the provisions of the lease should be complied with immediately.

This will confirm our telephone conversation of to-day regarding this matter.

Yours very truly,
A. P. Brown

This indicates that the headquarters of the company refused to carry out the suggestion which had been made in the course of the conversation, that the building might be allowed to remain idle and the improvements not removed. I trust that this will clear the matter up in the mind of my hon. friend. He had the impression, and gave it to the house, that the company had offered to waive the terms of the lease and not require the expenditure to be made.

The hon. member for Peel asked a question with regard to categories of the reserve army. My information is that instructions covering enlistment into the reserve army allow category C men to be accepted. Men, however, between the ages of nineteen and thirty-five who are category A or B cannot be enlisted unless they are (a) those who have been granted or would be entitled to postponement of compulsory training under the National Resources Mobilization Act; (b) members of Canadian officers' training corps of military age until graduation, also cannot be enlisted in the reserve army.

One other point which was mentioned, and which perhaps is not important, but it struck me rather forcibly and with some surprise, was with regard to the quantity of socks purchased by the department. The hon. member for Peterborough West quoted, I believe, from the report of the Department of Munitions and Supply to the effect that ten million pairs of woollen socks had been purchased. It sounded like a large amount, but the explanation is very simple. The quantity ordered since September, 1939, is 10,168,000 pairs. There have been actually issued to personnel of the active and reserve force units and to troops proceeding overseas since that time 5,336,364 pairs, leaving 4,831,636 pairs which have been ordered but which have not been issued. There were shipped overseas for the Canadian troops in the last year 626,000 pairs, leaving 4,205,636 pairs, and of these there are in stock 1,384,988 pairs, and there are due in outstanding orders which have not been delivered, 2,820,648 pairs. That information is given as of March 27, so that although there were 10,168,000 pairs ordered, of these roughly 1,300,000 were in stock and 2,800,000 had not been delivered.

[Mr. Ralston.]

Mr. FRASER (Peterborough West): I have a letter from Doctor Routley with regard to the supplying of socks to the Red Cross. They supplied the army with 195,578 pairs of socks during 1941.

Mr. RALSTON: I am sure the Red Cross have done splendid work in that connection. The initial issue for the active force is four pairs per man. The war replacement is twelve pairs a year, and the initial issue for the reserve is two pairs per man and the replacement three pairs.

Mr. GREEN: Within the last few days articles have appeared in the press to the effect that a change is being made in the type of training being given to the men in the army. It would be helpful if the minister would explain those changes. It does seem of the utmost importance that the army should be so trained that every man may be a fighter. I doubt very much whether that is the position at the present time. I believe there are men in the active army in Canada who have no rifles—if I am wrong I wish the minister would correct me—and certainly men who have had no rifle training. It is of the utmost importance that these men should be so trained. At any rate, the main consideration should be to train them in fighting. The Australian commander in Malaya, Major-General Henry Gordon Bennett, when he escaped after the fall of Singapore and returned to Australia, had this to say, as reported in the Ottawa *Journal* of March 16:

He charged that what he called barrack-square methods of training took the initiative out of troops.

It does seem that there is still quite a lot of the 1918 complex in connection with the training of our troops. Could the minister give us a statement to-day as to what changes have recently been made in the training of our troops?

Mr. RALSTON: I am not in a position to state that there have been radical changes in connection with the training of troops. The system of training, of which the committee is fully aware, is the training of men in training centres, which is quite different, of course, from the training which was given in the last war. I have read to the committee on previous occasions—I thought I had the references here—opinions which had been expressed by military men both of Great Britain and of the United States with regard to the advantages of training in training centres compared with unit training. I must say frankly that in my judgment there are some disadvantages in that a certain amount of esprit de corps is lost, and

there is danger of the ardour of the community spirit being dampened by the fact that men are so long away from their particular units.

Mr. HANSON (York-Sunbury): Is that not a very important factor?

Mr. RALSTON: My hon. friend is quite right; it is an important factor. However, the trial has been made and the results have been seen. There is no doubt that men who have seen troops actively at work, actively engaged, who have been trained in training centres, are of one mind with respect to the desirability and the necessity of training in that way. There are, of course, constant changes in details of training. What might be called the frills in connection with drill are cut out; nevertheless most of these things have to be done if a man is to be made an efficient soldier and if discipline and smartness are to be maintained. By smartness I do not mean simply appearance for parade purposes, but alacrity, accuracy, energy, initiative, resourcefulness and readiness to obey an order. All these qualities are inculcated in the training of the individual soldier.

My hon. friend made one reference, and in that regard I would ask him to be as careful as possible in connection with statements he makes. The last time he made a statement with regard to rifles; it was that the army was equipped with rifles that would not fire. I corrected him on that.

Mr. GREEN: I was referring to a certain class of rifles.

Mr. RALSTON: Yes, and I corrected him on that. It was not a good thing for this country for that statement to go out because it was undoubtedly incorrect.

Mr. GREEN: If the minister wants to open up that dispute, there is a lot to be said on both sides. I will not say more about it in case I might be accused of hampering the war effort, and I think it would be just as well for him to let it drop. If I am to be attacked on that question, I am going to defend myself. It was certainly not all onesided.

Mr. RALSTON: I am saying that my hon. friend made a statement with regard to rifles, that they would not fire, and I am saying that the statement was absolutely incorrect. I had expected he would indicate that he had been misinformed in connection with it. He is now making the statement that the active service force are without rifles.

Mr. GREEN: Mr. Chairman—

The CHAIRMAN: Order.

Mr. GREEN: On a question of privilege, the minister is misquoting me. I said that some of the active service force were not equipped with rifles, and I asked him to correct me if I were wrong. I hope I am wrong. I hope every man in the active army has a rifle.

Mr. RALSTON: My hon. friend says that some are not equipped with rifles. I have no doubt that there are some men in the active army who are not equipped with rifles. There are some men who do not have to carry rifles. I have, however, no knowledge of men in the active service force who should carry rifles who are not equipped with rifles.

Mr. GREEN: May I ask in that connection about such units as the drivers in the army service corps or men in the ordnance and men in different units of that type, who I understand are supposed to be carrying rifles. If they are not they are merely chauffeurs. Some of these men do not have rifles. My suggestion, made in the utmost good faith and for the sake of Canada, and certainly for the sake of the defence of the Pacific coast, was that all these men in the active army should have rifles with which to defend themselves and help to defend the country, and that they should be trained to use them. That was what I mentioned nearly three months ago in this house, and there has been plenty of time for the minister to check it up. Certainly in a part of the country that might become overnight a war front, I cannot see why these men should not be armed and should not be trained to use their arms.

Mr. RALSTON: My hon. friend must remember that that is not the only part of the country which might become a war front. I can say to him that if these men are not actually carrying rifles, there are rifles for them. What I deprecate is my hon. friend having the impression go abroad that Canada's active forces engaged in operations have not rifles, because the idea is absolutely erroneous. I want to say to my hon. friend, if he will permit me to finish—

Mr. GREEN: Don't put words in my mouth.

Mr. RALSTON: I want to make that statement to him in the most emphatic way.

Mr. GREEN: The minister has admitted that what I have said is correct; that there are some men in the active army who do not have rifles. I do not need any curtain-lecture about making statements like that, especially when he admits they are correct. I want to have the condition remedied.

Mr. RALSTON: I am not giving any curtain-lecture, but I cannot call the roll and find what men have rifles at this particular minute; I am saying that we have rifles for them. If they go on the trucks in connection with training without rifles, that does not mean that there are not rifles for them. I say there are rifles available for them.

Mr. GREEN: Then I understand the minister's statement to be that there should be rifles for these men?

Mr. RALSTON: There should be rifles for the men for whom there should be rifles. That is all I can say. There are some units and some men in the active forces who do not carry rifles; some carry revolvers.

Mr. GREEN: Well, are all these men who should have rifles given training in the handling of rifles? Are they all being trained in the firing of rifles? Some of these men have been in the army for two and a half years.

Mr. RALSTON: I can assure my hon. friend that during the four-month training period they are all given training in the handling of rifles.

Mr. GREEN: But a good many of these men did not go through the training centres, men say who have been in the army for a year and a half or longer. Why is it not possible for every one of these men who is supposed to have a rifle to be given training in the use of the rifle?

Mr. RALSTON: My hon. friend is talking about a hypothetical case. I cannot call the roll of each man in each unit, but I can say that they are given rifle training and they pass all the tests in rifle training and are given musketry instruction; that is one of the elementary matters in the training of a soldier. I do not know what my hon. friend means by assuming that they have not been trained with rifles. If he has any particular instance I shall be glad to hear of it.

Mr. GREEN: Will the minister have a check made in the Pacific command to see whether or not every man who ought to be carrying a rifle has received training in the use of the rifle? I do not want to blame the local commanders if it is found such is not the case, but I believe the minister will find the position to be that many of these men for one reason or another have not had training in the use of the rifle, and I suggest that it is of the utmost importance that every one of them be trained to fire a rifle and that there be a rifle available for him, one that can be given out to him at very short notice.

[Mr. Green.]

Mr. RALSTON: I shall be glad to comply with my hon. friend's request and have a check made, but three months ago, I think it was, the hon. member for Weyburn asked me with regard to the arms of men in the active army on the Pacific coast at that time, and I gave a list showing that all these troops were fully armed with rifles. I have no reason to think that situation does not exist to-day. I can assure my hon. friend that the tests of elementary training include musketry and training with the rifle, and these active troops are allotted and issued rifles.

Mr. GREEN: As I said before, many of them were in the active army before the training centres were established.

Mr. RALSTON: But they are all required to pass their tests of elementary training annually.

Mr. GREEN: Well, will the minister check it up?

Mr. RALSTON: Certainly.

Mr. WHITE: At a centre such as Camp Borden which is known as an advanced training centre, would the minister say that there is a rifle for every man training there?

Mr. RALSTON: I would not.

Mr. WHITE: Could he say what proportion of rifles there is for the men?

Mr. RALSTON: Not at the moment, and if I could I do not think that is information which I should give. But I can assure my hon. friend that there are plenty of rifles for the training of the men at that centre.

Mr. WHITE: Could the minister give an estimate of the number of men at the training centre?

Mr. RALSTON: As I remember, there are three branches training there, armoured cars, tanks and, I think, an infantry training centre, and a reconnaissance wing as well. I cannot give an estimate of the number of men.

Mr. WHITE: Then the minister is quite satisfied that there are sufficient rifles at the Camp Borden training centre?

Mr. RALSTON: For the training of the men there, yes.

Mr. WHITE: Has the minister received any complaint of insufficient rifle ranges at Camp Borden for both machine guns and rifles?

Mr. RALSTON: No, I have not.

Mr. WHITE: Then would the minister make some statement in regard to an average

soldier in a rifle or machine gun battalion? After he has taken his basic training of two months and then proceeds to Camp Borden or some other defence training centre, takes the prescribed course there and in due time goes on draft to England, is that soldier a fully trained soldier?

Mr. RALSTON: He is regarded as a trained soldier sufficiently to go as a reinforcement to England or in a unit.

Mr. WHITE. What further training does he take in England of the same nature, rifle, machine gun, mortar, anti-tank gun, et cetera?

Mr. RALSTON: I am sorry I cannot go into the details of the training syllabus in England. It depends on what operational role the particular unit is filling. As the committee knows, most of the units there are filling operational roles. The training depends on the syllabus which is issued at the reinforcement units. If the man is not sent to a unit, he is given individual training and sectional training as well. The training with the unit depends, generally speaking, on the syllabus which is laid down by the divisional commander. When I was over there, No. 1 unit was brushing up, had been in the line for, I think, six or eight weeks and had come out and was taking some individual training again; others were taking section training, they were going on with platoon training. The training depends on the divisional commander and the length of time they have been away from active training.

Mr. WHITE: What training would a soldier have with machine gun and tommy gun, and how many rounds would he actually fire?

Mr. RALSTON: I could not say.

Mr. WHITE: I have been told that the average soldier at Camp Borden does not fire more than fifteen rounds with a machine gun. Is there any truth in that report? If so, does the minister think that firing fifteen rounds with a machine gun is complete training?

Mr. RALSTON: I shall find out. I would be surprised if that is correct.

Mr. WHITE: Then as to the use of the anti-tank gun at Camp Borden, could the minister tell me whether privates, N.C.O.s and junior officers actually fire the anti-tank gun at Camp Borden, or is that reserved only for very senior officers?

Mr. RALSTON: I cannot tell. I shall be glad to have the chief of general staff here to give my hon. friend the information. My hon. friend understands that those are details of training which the minister does not have at his finger-tips.

Mr. HANSON (York-Sunbury): But he ought to have his technical officer here to tell us.

Mr. WHITE: Could the minister put on *Hansard* something of the training syllabus at Camp Borden and the approximate number of hours' training the men have on those various weapons?

Mr. RALSTON: Yes.

Mr. WHITE: Could the minister tell us something as to the training with trench mortars at Camp Borden?

Mr. RALSTON: There again I cannot give the details. It will be shown in the training syllabus. My hon. friend knows that two-inch mortars have not been available until recently; three-inch have been available, training has been done with them.

Mr. LOCKHART: Could the minister make a statement as to the changes in fatigue duties that have been made? It is apparent that there has been a considerable change in their routine duties; does that in any way affect the fatigue work?

Mr. RALSTON: We are endeavouring to make the establishment large enough so that fatigues may be avoided or reduced and the time spent practically entirely in connection with training. I must say that there are some objections as well as some advantages in that, because I have always felt that one part of a soldier's training was doing a certain amount of what are called fatigue duties, which are routine duties which would have to be performed if a soldier were on active service, just as they have to be performed in camp. But it has been felt that the training syllabus is so full that it is desirable to spend every possible moment on training. As my hon. friend probably knows, the training time is run off hour after hour, and there is barely enough time for soldiers to get the full training laid down in the syllabus at the basic and advanced training centres, without taking time for fatigue duties.

Mr. HANSON (York-Sunbury): I am not a military expert at all, and I do not know anything about it. I do know, however, that old soldiers scorn the idea that these men in the training camps should not do fatigue duty. They say it is just as much part of their training as the marching up and down the streets of which we see so much these days. I think there is something sound in that. They have to do this fatigue duty if

they are on active service; so why should they not do their fair share of it in the training centres? That is the theory which has been sold to me. I do not want to give it as mine at all, but I suggest that there is a great deal of sound common sense behind it.

Mr. RALSTON: As I intimated, I had somewhat the same idea myself, but in connection with the training centres those who are in charge of training, and in whom I have confidence, believe all the time possible should be devoted to the work of the syllabus. Of course that does not mean that when the soldier gets back to his unit he does not go on fatigue duty, as all other soldiers do. It only means that the time at the training centre is fully occupied with the syllabus that has been laid down.

Mr. LOCKHART: Notwithstanding what has been said by the leader of the opposition, do I gather, then, that the fatigue duty to be done by soldiers is being reduced from time to time, compared with what it was seven or eight months or a year ago?

Mr. RALSTON: That is correct.

Mr. LOCKHART: And does it apply only to men in the lower categories in the units? How far does it extend?

Mr. RALSTON: I am speaking particularly of the basic and advanced training centres.

Mr. DOUGLAS (Weyburn): First I want to thank the minister for the information he gave the committee and myself, since I was particularly interested, with regard to the Weyburn barracks. I am glad to learn that the fault did not lie primarily with the government, but that the offer made by the manager was not endorsed by the headquarters of his company in Chicago. But I want to point out to the committee that this does not entirely dispose of the case; it means simply that the responsibility has been shifted. Here is a very excellent building, one of the best for use as a barracks anywhere in Saskatchewan, or probably anywhere in western Canada. It is standing idle at a time when we are putting up new buildings in other parts of the country. Under a lease we were paying, I believe, $560 a month in rent, and I agree that there would be no sense in the world in paying that amount of money if we were not using the building. Apparently the company were not prepared to abide by the offer made by their manager, that as long as the building was not being used no rent should be paid, but that the equipment put into the building by the government should remain there pending the time when it might be necessary to use that barracks again, when the rent would commence once more.

As the minister has pointed out, the company were not prepared to abide by that suggestion; but I should like to know why we have a National Resources Mobilization Act. In June, 1940, legislation was introduced in this house with a great fanfare. The government were going to start to do things; they were going to start taking over things, if they needed them. Here is an excellent three-story building, owned by a United States firm which has not used it for a great many years and is not likely to use it for a good many years more. It seems to me that the government would have been well within its rights in saying to that firm, "At some future date we may require this building. As a matter of fact, if we ever have to mobilize the second battalion of the South Saskatchewan regiment we shall require it, because it is the only place between Regina and the international boundary where in any emergency we can quickly assemble and equip five hundred or a thousand men. As long as that building is there, and since you do not require it, we propose to leave in it the equipment already there, and we will pay you rent only when we use the building." Under the National Resources Mobilization Act the government has power to do this. To me it seems a pity that we should spend $1,800 or $2,000 in taking out plumbing fixtures and equipment, since undoubtedly the day will come when we shall have to use that building again, when all that equipment will have to be put back. Therefore, while I am glad to have the statement by the minister that the firm did not support the suggestion made by their manager, certainly I think the government would have been well advised and quite within its rights in insisting that the offer should have been endorsed by the company.

I wanted to ask the minister one or two questions, the first arising out of what has been said by the hon. member for Vancouver South with reference to the men on active service carrying on duties which do not ordinarily require them to carry rifles. I refer to orderlies, truck drivers, chauffeurs, clerks and so on. What is the minimum training that is given to all men in active service, in rifle and machine gun work? In other words, I take it for granted that the same procedure is followed as in the air force, where, no matter to what branch a man is sent, he is given a certain minimum training in the use of small

arms. I think it would clarify the situation if the minister would tell us what is the minimum training that a man on active service must have in small arms, irrespective of what he is doing. The minister also speaks of there being rifles for all these men, and I take it for granted that this means Lee-Enfield rifles. One of the minister's secretaries was kind enough to send me some information with reference to the other rifles being used, mainly American, such as Edison, Winchester and various other makes which we generally class as Springfield. They are manufactured by different firms, but they come under the Springfield classification in that they are of ·300 calibre. I imagine those will be used principally by reserve units, by these guerilla bands which are being set up in the west or by the veterans' guard. I wonder whether, when the minister says there are rifles for all these men, he means Lee-Enfield rifles of ·303 calibre.

Would the minister explain to the committee what disposition is made of these men when they come out of the training centres? There have been some two hundred thousand or more men go through these training camps. Are they attached to active service units for further training? Are they brigaded into the division, or just what disposition is made of them after they finish at the training centres?

I should be glad also if the minister would be kind enough to outline the new plans that have been hinted at with reference to the reserve army. I understand that some of the reserve units are now being brigaded; that there is to be an increase in the period of training and an intensification of the training of these reserve units. Would the minister outline the plans of his department in regard to the reserve army?

Mr. RALSTON: With regard to the International Harvester company lease, my hon. friend makes a specious argument, and I am sure he realizes it is a fallacious one.

Mr. DOUGLAS (Weyburn): I do not realize it.

Mr. RALSTON: What he means is that we should use the National Resources Mobilization Act for the purpose of confiscation.

Mr. DOUGLAS (Weyburn): I rise to a point of order. The minister is crusty to-day; apparently is quite touchy. I am not going to allow him to say that I made a specious argument knowing it to be fallacious. He cannot impute motives to me.

Mr. RALSTON: I did not say—

Mr. DOUGLAS (Weyburn): That is exactly what the minister said, whether he was conscious of it or not. The argument may be fallacious, but I certainly did not make it knowing it to be fallacious. The minister will not help either himself or the conduct of this committee by being sarcastic about me or any other member.

Mr. RALSTON: I did not say that my hon. friend intended it to be fallacious. I said that it was a specious argument, but it was fallacious. I said that it was suggesting confiscation. My hon. friend knows that under the National Resources Mobilization Act we have the right to take any property we desire, but the principle of law in this country is that unless you expressly provide that it shall be taken without compensation, compensation is allowed.

Mr. DOUGLAS (Weyburn): I suggested compensation when the building was in use.

Mr. RALSTON: I beg my hon. friend's pardon; I thought he was suggesting that rent be paid for the time it was used. But there was a further point; there was a breach of contract. The requirement was that if you cancelled the lease you had to restore the premises to the condition in which they were at the time they were taken over. That had to be done in order to comply with the contract. They could have done the same thing and charged the cost to the government. It was done simply as a matter of legal obligation, that is all. I do not think the National Resources Mobilization Act comes into the picture at all.

With regard to the question my hon. friend asked relating to training in the use of rifles and machine guns, I am sorry I cannot give him the exact number of hours. I can only say now that the training is exactly the same as the training laid down in the British manuals. Under the British plan elementary training is given and tests have to be passed by the soldier. I promised one hon. member that I would bring down the syllabus so that hon. members will be able to see just how much training is done with rifles and machine guns.

With regard to the third question, with respect to rifles held by the active service force, I would say that they are not all Lee-Enfield rifles, but they are all ·303 rifles. Some are Ross rifles. The fourth question had to do with the disposition of men when they come out of training. They go to units if there are units forming, or they go as reinforcements. At the present time we have trained soldier companies which are really graduate companies in which men are kept at

the training centres until the time comes for them to go either overseas or to their units. The answer generally is that they go on duty just as soon as duty is available for them.

Mr. DOUGLAS (Weyburn): I asked the minister if he would outline the plan with reference to the reserve army.

Mr. RALSTON: The reserve army is part of the defence scheme of Canada; it forms a second line in that respect. Provision has been made for the forming of a reserve brigade group in each district. The greatest expedition in connection with the formation of these groups has been on the two coasts, but they are also being formed in the other districts. The idea is that an additional amount of equipment will be issued to the units in these reserve brigade groups. They consist not only of infantry, but also of artillery, medical corps, ordnance corps and all the auxiliary services which should go to make up a brigade group.

I had the interesting experience of attending meetings with the officers commanding the reserve brigade groups in three districts—No. 11 at Vancouver, No. 6 at Halifax and No. 7 at Saint John. We have explained to them as fully as possible what we can do, having regard to the allocation of equipment which is necessary in the times in which we live and in the emergency which exists. Equipment from Canadian factories does not by any means all go to Canadian troops; it goes to practically every field and every active front that there is. We have explained to them the situation. We have given them higher priorities than have been given to some of the other units. We have listened to what they had to say with regard to improvements and suggestions which they offered as to the expedition of the formations and the training and organization of these brigade groups. I think we pretty well covered the ambit of any questions which might arise in the minds of the commanding officers.

These reserve brigade groups will train as reserve units at their own armouries or local headquarters. They will go to camp for fifteen days during the summer. I think it was the hon. member for Vancouver South (Mr. Green) who asked about the training of the reserve army. We expect not to dwell so much on individual training but to endeavour to see that the men who come there are dealt with along lines of training which will interest them and which will in as little time as possible give them the rudiments of soldiering and some of the basic principles which are needed in connection with organization and serving in units.

As hon. members know, full-time staffs are being formed and are being given to these brigade groups. The commanding officers and the administrative and training staffs have already been allotted to reserve units. We are seeing to it that in cases where it is required, having regard to local conditions or to the disposition of the particular unit, the staffs are commensurate with the necessities of the case. That is, we have adopted the principle that they are not to be sealed-pattern establishments so far as the administrative and training staffs are concerned. The district officers commanding are given considerable leeway in making recommendations so that these staffs may be able to take care of things as they arise and as they exist, having regard to the conditions.

These units are authorized to recruit up to war establishment. Generally speaking, the administrative and training staffs are authorized on the basis of an adjutant, a training officer, a regimental quartermaster sergeant, an orderly room sergeant and two training instructors. This applies where the strength is less than 300. One additional instructor will be provided for each additional 200 men. When the batteries are being decentralized, as I have indicated already, additional instructors will be authorized up to a total of one per company or one per battery.

Before the adjournment I dealt with those who would be eligible for enlistment in the reserve units. I stated that these would be men between the ages of seventeen and nineteen; men between the ages of nineteen and thirty-five who were in medical categories lower than B—

Mr. GREEN: Are those ages inclusive—that is the seventeen to nineteen?

Mr. RALSTON: Exclusive of nineteen.

Mr. GREEN: Seventeen and eighteen?

Mr. RALSTON: Seventeen and eighteen. Also men who have been granted or who are entitled to a postponement of compulsory military training under the National Resources Mobilization Act, and men over thirty-five and up to fifty; the officer personnel of the training cadres in all categories may be married men between the ages of thirty and thirty-five. This point was brought up by the hon. member for Vancouver South before the recess. We regarded this development as being sufficiently important to appoint Major General Browne, who had been adjutant general, as director general of the reserve

army. General Browne is now engaged in visiting the different districts and meeting the officers of the reserve units and the brigade commanders. He is endeavouring to give them an outline of the plan and to let them know what is desired of them.

There is a most gratifying interest and enthusiasm among these men from thirty-five to fifty years of age, men who have certain family and business obligations but who are anxious to do something in order that they may be ready to serve if the time should come. The interest which is being shown by them is certainly gratifying. I feel that the reserve army gives an opportunity to men to do two things: (1) to qualify themselves for work in a shop or at a lathe or do something on the civilian side of war work, and (2) at the same time to prepare for the other task, to don a uniform if the time comes. It seems to me that that opportunity ought to be accepted and is being accepted by a large number of men who up to this time had not taken very much interest in army matters. If my hon. friend or any other member has any questions to ask about the reserve army development, I shall be glad to hear them.

Mr. DOUGLAS (Weyburn): I do not want to labour this question of the barracks; but it certainly comes very poorly from the minister, after saying that my argument is fallacious, to proceed to make the most specious argument imaginable, that a legal contract stands in the way of their use to-day when this country is at war. I am not suggesting confiscation. I was suggesting that so long as the building was standing there empty, the government had the power to say to these people: "We want this contract altered. Otherwise we shall use the National Resources Mobilization Act because as long as that building is empty we do not propose to pay rent. When we do use the building we will pay rent." That is not a fallacious argument at all, nor am I advocating confiscation. I certainly do not agree with the minister that a legal contract stands in the way at a time like this when Canada is in peril, and I do not think the people of the country whose man-power we are conscripting will take kindly the specious argument that a legal contract stands in the way of these barracks being used.

As to the minister's statement on the reserve army, as I understand the new plan, it is to step up the training of the reserve units. With that I am in hearty agreement. There is a real job to be done by these units. They have to put in fifteen days in camp, the equivalent of fifteen days in week-end manoeuvres, and the equivalent of another fifteen days made up of several hours put in during the evenings of each week. But I would draw to the minister's attention the fact that there are rural units, and the one in which I am particularly interested is scattered over an area of 200 miles or more, with 4 different companies, each with a company headquarters, 75 or 100 miles away from battalion headquarters. Obviously it is impossible for the men to meet for training in the evening. In the few places where there is a fairly large centre you can get a platoon together once in a while, but many of the boys live on the farm, a long way from company headquarters, let alone battalion headquarters. They cannot meet in the evening, and it is very difficult for them to meet over the week-end. There are no barracks, and there is no place for them to meet for week-end manoeuvres. This means that all the training they will get is the fifteen days in camp. Fifteen days is valueless in training a unit. It will only give them time to develop some sore muscles and a few aches when they return home. Has the minister in mind lengthening the camp period for reserve units in the rural communities which are scattered over a considerable area? I think they should have a minimum of thirty days in camp. They cannot meet in the evening and cannot hold week-end manoeuvres, except in the case of the larger units in the urban centres.

Mr. RALSTON: My hon. friend ought not to assume that they cannot have week-end manœuvres because they are scattered. The training period at a week-end can cover a whole day, and you can put in longer hours in that way—if you are talking about hours. We have also provided, as I have indicated, for more instructors for dispersed units. There has not been—I am speaking subject to correction—consideration given to extending the camp period, the reason being that there are a number of units to be accommodated; you have only so much time in the summer, and you have to arrange a schedule of training to allow them all to come to camp. But I shall make a note of my hon. friend's suggestion. I think, however, the situation is covered by extra instructors and a concentrated period of training. Instead of training for simply one or two evenings a week, they can train for a whole day or a week-end at a time.

Mr. DOUGLAS (Weyburn): I agree with the minister, and that is why I raised the matter of the barracks. Last year an excellent thing was done. The camps were so crowded in the summer that it was not possible for all the units to train; so a number of non-commissioned officers were sent down, and they used these barracks in

the winter time to train four or five hundred men at a time. This meant that the men were able to get in a month's training in their own barracks. It was the only way to get them together under the supervision of the training officers, and with proper standards of training. The brigadier visited them, and there was an inspection of what went on. That would be better than to send men to camp for only fifteen days. It might be possible to give these men fifteen days in camp, in addition. Certainly something ought to be done for these dispersed units because they need the opportunity to come together and build up an esprit de corps. As it is, they hardly see each other. I draw the matter to the minister's attention as one worthy of consideration.

Mr. GRAYDON: There are one or two matters upon which I feel compelled to speak this afternoon, and I do so with reluctance for two reasons. One is that I can scarcely pose as an expert in the matters now under discussion, and the second is that any man with a keen sense of responsibility towards our war effort must be extremely careful in any statements he makes about the armed forces. With those considerations in mind I bring two points to the minister's attention.

On March 18 the Prime Minister made his statement with regard to the establishment of unity of command in three areas of defence in Canada—one on the Pacific coast, one on the Atlantic coast and one in Newfoundland. The choice of commander for each of these unified areas in the final analysis rested with the senior officer in that area in charge of one or other branch of our armed forces. I can make no comment which would be of any use to the committee with respect to the eligibility or usefulness of any of these three men, but I would bring to the attention of the committee reflections which one hears of public opinion from time to time, and that is, the public are anxious to know whether the appointments to positions of supreme importance in our national defence and in our national waging of this war are to be made strictly from the point of view of seniority of service or whether other factors which the public, rightly or wrongly, believes to be of importance are to be taken into account.

I point out to the minister the danger, of which he is already aware, of paying much attention to armchair critics of our war effort. I should not like to think that the minister would pay much attention to them. But one is compelled as a member of parliament at least to bring to the attention of the government what one hears among the public from time to time, so that if there is a germ of constructive suggestion in their ideas they may be adopted, not only with a view to increasing the efficiency of our armed forces but to improve the morale of the people for whom these forces are fighting.

While I hesitate to suggest that the element of seniority should be entirely disregarded with regard to appointments, may I urge upon the minister that in appointments particularly to positions of major importance, some measure of significance be attached to knowledge of the newest and latest types of warfare. I believe that the minister, the forces and the people of Canada all realize that it is not enough even to have men well trained with respect to methods of war as practised in 1939. Since that time, methods of waging war and the character of the war itself have changed so much that it taxes the best brains of the war offices in every one of the united nations to keep up to date as regards the instruments and style of warfare to be used.

What I am saying, as the minister will understand, is a reflection of opinions which have been expressed not only to myself, but, I am sure, to most hon. members. Most of us, including myself, are anxious that nothing we say shall be a reflection upon those who are commanding our armed forces in this country or elsewhere. But in Great Britain they have not hesitated to criticize, in the interests of the nation. Men of major standing in public life have done so; they have called for an end of what they term the Colonel Blimp mentality in their national war effort. I have not come to this chamber for the purpose of charging that we in Canada have any such mentality, but I want the minister to understand that in the interests of the forces and of the public a careful scrutiny should be made and a thorough survey instituted, by himself, or by someone else competent to do so, so that the public shall be satisfied that our forces are controlled and led by men who are up to date with regard to modern warfare; in other words, that the Canadian forces are led by the best brains and the most efficient men whom Canada can produce, regardless of whether they are of senior or junior standing. I am supported in this argument by what has been said by General McNaughton himself. If anything in the past few months has encouraged and strengthened the morale of the general public, it is that General McNaughton in his press relations has made mention of this very fact which I am trying, though inadequately, to put before this committee. He has said that younger men, men who have

had experience in modern warfare, will be given responsible positions regardless of age or other circumstances which, though in peace time they may mean a great deal, in war time mean very little.

I have brought these matters to the minister's attention reluctantly and with much hesitation. I believe, however, he is entitled to know that there is a section of public opinion which would like some assurance from him that everything possible has been done to see to it that the men appointed to take command of our Canadian units have the aggressive mentality necessary to wage the sort of total warfare which is being employed against us by our enemies.

A word with regard to the training itself. I do not want the minister to answer this question if it would disclose something which should not be revealed, but it seems to me that the manual and the course used for the training of our armed forces, particularly our officers, though it may have been useful twenty years ago or even three or four years ago, may not be of as much effect to-day having regard to the kaleidoscopic changes which have taken place. I suggest that every possible effort be made to modernize our training to the very last minute. I want to see the Canadian army second to none in the world so far as up-to-date, efficient, offensive methods are concerned. The Canadian people have a right to expect that; as a member of parliament I hope that is what they have, and I am not suggesting otherwise. But I would emphasize as strongly as I can that the minister set aside everything in our training which may be obsolete, and apply to the training of our armed forces the methods of to-day.

I believe he will understand the spirit which moves me to make these suggestions, and on behalf of the Canadian people I urge that he give all possible consideration to them.

Mr. RALSTON: My hon. friend speaks, if I may say so to him, as a man after my own heart. There is not anything that he has said with which I find the slightest fault. I have said in this house and I say to this committee that I do not regard seniority as being a governing factor in connection with appointments to commands.

He has mentioned the three combined commands, those of the Atlantic, the Pacific, and Newfoundland. It happened there that the senior officers were regarded as well qualified. They were appointed on that ground and, having taken counsel not only with those who are immediately around me, but with others as well, I shall be tremendously disappointed if that confidence is not justified. I am not going to deal with individuals, because that would be invidious. But Major-General Page, in Newfoundland, went to England and was there for some time; he went to Iceland, and afterwards, as hon. members know, took command of the fourth division. Major-General Alexander is a soldier of very long experience and a splendid record, which I will not relate here. I had an opportunity of seeing him at the Pacific coast, discussing matters with him and being around with him a great deal in connection with Pacific coast matters, and from what I learned and saw of how the three services are cooperating, while one will never be fully satisfied, I had every reason to believe that the appointment made and the decision come to by the war committee of the cabinet was eminently satisfactory. On the Atlantic coast, Major-General Elkins happened to be the senior man there. He had a splendid record in the last war. He filled several important posts in Canada and we were very glad to be able to avail ourselves of his services when the Atlantic command was established on the east coast, and found evidence of excellent cooperation between him and his colleagues of the other two services. It must be remembered that both these officers have officers in their command who have been overseas in this war, and know the conditions and the needs there both in training and operation.

Further than that, in connection with training—and this is what I want to emphasize—with all these units in Canada beginning with the second division, because the first division had to be trained by men who had not been overseas in this war, we have followed the policy of asking for men to be returned from England as brigadiers to command divisions. General McNaughton went with the first division and Major-General Odlum with the second division, and some of his brigadiers, two out of three, I think, were men who had been overseas. Major-General Price commanded the third division. He was brought back from overseas. He was not selected on the ground of seniority. He was not the senior by any means, but was given command of the third division on the recommendation of his senior officer who knew him and who believed that he would fit the job. Major-General Page was recommended for the fourth division in exactly the same way. He was not senior, but a brigadier in charge of holding units at that time. He had been in Iceland and in England and had been in charge of holding units there, and he was sent here on the recommendation of General McNaughton. Major-General Sansom who commands the fifth division was not senior but was brought

back on the recommendation of his senior officer, who believed that he was best fitted for the job. Lieutenant-General Crerar had been in England three times in this war. He was first the senior officer at Canadian military headquarters in England and had done a splendid job for about a year in connection with the setting up of Canadian headquarters and, as well, in connection with the organization of the whole Canadian effort there. Lieutenant-General Crerar is a professional soldier, a staff officer of wide attainments and a man who has not simply administrative ability. He has a fine training on the general staff side as well. He was selected to command the second division and he is now commanding the Canadian corps. In every case without exception recommendations have come from overseas for the men who have been placed at the head of our formations, and that course is being followed in connection with the sixth, seventh and eighth divisions. The commanders of these will be announced in due course.

In connection with brigadiers, I have not at the moment a list before me, and I have not been able to recall them all, but I think at least two out of three in every case were men who had had service overseas and had come back with training and operational experience gained there. In addition to that, the brigadier in charge of training to-day is Brigadier Weeks, who was overseas for two years, and with him is Lieutenant-Colonel Sparling, who was overseas for a year and was brought back. The quartermaster-general is Major-General MacKenzie who was brought here from overseas.

The armoured corps, which is being trained at the present time, is being trained under the direction of officers from the other side. We had to get British officers in the first place in order that the suggestion made by my hon. friend would be carried out, namely, that the men would get the benefit of the latest experience in connection with operations and the latest methods of training. There are now over 1,000 personnel brought back within the last two months to carry on training in connection with the extended army programme.

Mr. GRAYDON: Officers and men?

Mr. RALSTON: Officers and non-commissioned officers. My hon. friend refers to the training of officers. We have put in charge of the training of officers at Brockville the Sergeant-at-Arms of this house, Colonel Gregg, V.C., who has returned after a splendid career overseas. He is now coming to take charge of the officers' training centre at Brockville. Colonel Scott of the Calgary Highlanders has come back to take charge of the senior officers' course. This indicates that we are trying to meet the specification which my hon. friend lays down, namely, to secure people who know what the latest types of training and operations are, and it means also that we are meeting the specifications which must be satisfactory to General McNaughton, or he would not agree to the junior war staff course coming back here. The officers' training course has been eminently satisfactory. These men who have come here have proved satisfactory, and the cadets will get the benefit of the experience and training of Colonel Gregg, V.C., who comes from the O.C.T.U., as they call it over there, of which he has been in charge in England.

That is the general set-up, and we are trying to carry out that policy. There are changes in training from time to time. In addition to what I have said, as the committee knows, the commanding officer, or the second in command, and one or two non-commissioned officers from each unit are being sent over for two or three months in England, so that they will come back to their units with the knowledge and experience they have gained there.

Mr. STIRLING: Units of the active army?

Mr. RALSTON: Yes. We are trying to keep that integration between the activities in England and the experiences gained there, and the training activities and operational activities here. I am really gratified that we have been able to make such exchanges as we have effected. I consider that our friends in England did us a good turn when they found it possible to accede to our request to send 1,000 or more officers and N.C.O's here to assist in connection with training this summer. Most members of the house know some of the men who have come back, who have been associated with that contingent. That is the general scheme.

While I do not profess to know the intimate details, how many hours are spent in connection with rifles or machine guns, and so on, I do know and feel that the training has been put in competent hands. It has been given to men who, if anyone should know, certainly do know what will be most successful and effective.

I close by expressing again what I said at the opening. My hon. friend has not said anything to which I take the slightest exception. I appreciate his moderation, and I know the point he mentioned is in the minds of people generally. The question of seniority cannot be allowed to override or to be the governing factor in connection with the command or training of men, which may involve the very existence of the country.

This war is too big to have its success or the progress of training interfered with by any one individual, and there must of course be changes from time to time. Changes have been made and probably will continue to be made, but when they are made it is not necessarily a reflection on individuals, but simply because we feel that adjustments and improvements can be made and that it is our duty to make them.

Mr. CRUICKSHANK: I wish to ask two questions which seem to me to be important. Do members of the reserve army at summer camp get pay and allowances?

Mr. RALSTON: Yes, pay and subsistence allowances when they are necessary.

Mr. CRUICKSHANK: I should like the minister to answer these questions so that the information will appear on *Hansard* and in the newspapers, because occasionally a private member gets into a hot-box over this. I know I do. It was announced at the beginning of the war by all three ministers that no political interference was allowed in recommendations for commissions. I know that is true, but I want the fact to get wide publicity so that people will not ask me any questions about it. Is that correct?

Mr. RALSTON: I can say to my hon. friend that there is no exception whatever to that.

Mr. COLDWELL: In view of the fact that the discussion has largely revolved around equipment and training, may I ask when we may expect the report of the commission which has been inquiring into the Hong Kong affair? It seems to me that since that will deal naturally with training and equipment, it would be helpful to this committee to have that report so that we might study it and see what deficiencies there were and perhaps base thereon some discussion as to improvements for the future.

Mr. RALSTON: I am afraid—I hope the committee will believe me—that I know as little about that as anyone in this committee. When I came back from the west I did not have a chance to inquire, but when I came back from the east on Monday I made inquiry about it and from what I learned I anticipate it will not be very long before the report is received. I am afraid that is as definite as I can be, because it is entirely in the hands of the commissioner.

Mr. GREEN: What steps have been taken to build up new arms of the service, for example, paratroops? It was announced last fall that plans were in contemplation for setting up a corps of paratroops in Canada, but we have heard nothing about it since. It would seem that they would be very useful, either in case of an attack on Canada or for offensive purposes beyond Canada. Could the minister tell us whether or not such troops are to be raised and trained?

Another type is mountain artillery. Certainly on the Pacific coast it is generally considered that they would be very handy, perhaps a good deal more useful than field artillery. I have no doubt the matter has been considered by the authorities, but could the minister tell us something about it?

It would also be interesting to the committee if the minister were to tell us something about the newly-formed coast rangers. I do not know whether they have been formed on the Atlantic as well as on the Pacific coast, but I think it is a splendid idea. I hope they will be given every encouragement. I should like to see units raised in all parts of British Columbia. I understand they are being raised on the coast first, but I urge upon the minister that such units be formed also in the interior of the province. Then a question comes up in connection with their armament. At the present time they are supposed to use their own rifles, but as soon as army rifles are available provision should be made for issuing them to these men. They should also have at least some machine guns. They will be greatly handicapped if they have only their own rifles. The department should be very careful also to see that there is the closest coordination between the staff and these rangers. There is some danger of the men being used only as trail finders or scouts who can send back information to headquarters. The department will have to go further than that and see that in the plans for defending the coast the work of these rangers is coordinated with the work of the reserve army and of the active army. It may have been done already, but I suggest that the minister give consideration to that need.

It would help a great deal if the minister could tell the committee something at this time about these new types of units.

Mr. RALSTON: On the matter of mountain artillery I cannot say anything except that it has been considered. I do not want to make any statement with regard to it at the present time.

With respect to paratroops, I sometimes think there is a bit of mystery thrown around the words paratroops, commandos and guerillas. the term "guerilla" was used in connection with the Pacific coast rangers—

Mr. GREEN: That is an improper description.

Mr. RALSTON: Yes, I think so. From what I understand, the basic training which has to be done in connection with all three of these types of service is very much the same. I was talking to the press the other day and I endeavoured to give what I understood to be the situation regarding the nature of that training. Those troops have to rely very largely on almost individual initiative and resourcefulness. Paratroops are dropped; you cannot expect them to form up in sections immediately; they come down at different times, on staggered occasions, and the result is each man has to fend for himself. The same is true of commandos and so-called guerilla warfare. All I can say this afternoon is that we are establishing in the west—I am not going to give the location—a battle training school for the purpose of teaching officers and non-commissioned officers the technique of battle training. Battle training, while it sounds rather imposing, means nothing more or less than a hardening and toughening process of body and cultivation of the alertness, initiative, resourcefulness and bodily ability that may serve a man in a tight corner. All these kinds of troops are needed. That school I rather anticipate will be in command of, or at least advised by, Colonel Scott of the Calgary Highlanders, whom I mentioned a moment ago, who was in charge of battle training overseas. Officers trained in that school will go back to the units and give that special training to prepare men for paratroop operations when they are necessary. It does not complete the final phase, that is, the men actually jumping from a machine. That, they tell me, is comparatively the easiest part of the training—perhaps I may be treading on the toes of men who have been trained and acted as paratroops and consider it something different from that. The formation of an actual paratroop unit is not being gone ahead with at the present moment, but rather the training of men so that they can be used as paratroops when the time comes, with additional training to be done with aircraft, except the preliminary jumps which are done from towers.

With regard to the Pacific coast militia rangers, those bodies are being formed under the provisions of the King's Regulations and Orders (Canada), and the Militia Act; they provide an organization separate from the present reserve army, and provide for the formation of a unit here and there, not necessarily tied up with a reserve army unit. This formation is especially adapted to isolated communities; as the hon. member knows, particularly along the west coast of Vancouver island there are many of those communities. That organization is going ahead under some men who I think are extremely well qualified. I have met Colonel Taylor—

Mr. GREEN: He is very good.

Mr. RALSTON: He is one of the men concerned. I think he has had to do with logging and lumbering companies there and knows the type of country that may have to be fought over. He is doing an exceedingly good job; at the time I was there something like forty different units had been formed.

With regard to rifles, at the present time we are asking these men to furnish their own arms because we have none too many rifles in this country considering all the obligations we have undertaken. But I fully concur in what the hon. member suggests, and just as soon as rifles become available we shall endeavour to see that these particular units are not neglected.

Mr. STIRLING: Is there any restriction on the type of arms they may bring?

Mr. RALSTON: I do not think so, unless it has been made by the district officer commanding. I would anticipate that they would be mostly rifles. Probably within a short time there will be some augmentation of the arms they have. My hon. friend mentioned also the issue to them of machine guns. This again depends on equipment. The hon. gentleman may know that in addition to Bren guns we have some Lewis guns, particularly on the west coast; and I would hope that in due course some of those might be made available as well.

With regard to coordination, again I think my hon. friend knows that Colonel Taylor and the three other officers who are associated with him in connection with that organization are all on the staff of district headquarters. So that there is the closest coordination and integration. In fact these units are regarded as under district headquarters, they are being administered under the Militia Act, and the men have all the immunities of members of the reserve army. I am very enthusiastic about the Pacific coast militia rangers, I must say. I should add at the same time that the suggestion was made that similar formations should be set up on the Atlantic coast. We felt that it was undesirable to do this where we had the territory covered by reserve units. On the Atlantic coast we are endeavouring to

see to it that platoons and perhaps even sections may be formed as part of the reserve unit covering a particular locality. That has been thoroughly discussed and explored with the officers commanding district headquarters both in Halifax and Saint John, and we believe it can be done. So that on this side the reserve units will not be of the militia type but rather of the army type, the difference being that one is part of a reserve battalion and the other is an individual unit, simply a member of a corps.

Mr. GREEN: Is it the intention to establish ranger units throughout the whole province of British Columbia?

Mr. RALSTON: I think it is. Colonel Taylor I believe has authority in that respect, to establish them throughout the whole of the island. But we do not want them to overlap the reserve units, in the areas covered by such reserve units. Where there is a reserve unit in an area; where a platoon or section of that unit can be formed which can keep in touch with battalion headquarters without too much trouble, we would prefer it to be a member of the reserve army.

Mr. GREEN: The minister said "throughout the island." Did he mean throughout the province?

Mr. RALSTON: Along the coastline, and of course the mainland as well.

Mr. GREEN: And the interior of the province as well?

Mr. RALSTON: I was not thinking so much of the interior.

Mr. STIRLING: The protected area?

Mr. RALSTON: Yes, more the protected area.

Mr. GREEN: I meant the whole province.

Mr. RALSTON: No, that was not intended. I am thinking of the Rocky Mountain Rangers, and other units to the east of the mountains, which would cover the reserve army territory.

Mr. GREEN: I only meant where there is no reserve unit in the interior.

Mr. RALSTON: I think that would be permissible.

Mr. REID: I should like to offer one suggestion in regard to the training of men on the Pacific coast. I refer to the lack of facilities for teaching men to shoot. There is only one rifle range close to Vancouver in the Fraser valley; that is what is called Blair range, in North Vancouver. Just a few days before I left my attention was drawn to the fact that five military trucks left Vancouver and proceeded to Chilliwack, which is represented by the hon. member for Fraser Valley, where they picked up fifty or sixty men whom they took to Blair range. Then the trucks left Blair range, headed back a hundred miles to Chilliwack, and then returned to Vancouver. This meant a round trip of from 380 to 400 miles in order to give this number of men a few hours of practice at the rifle range. There are considerable numbers of troops in Vancouver; there are troops in New Westminster, and other troops are being located throughout the Fraser valley. I think the minister should look into the matter of providing more rifle range accommodation, instead of endeavouring to transport all the men in training from the head of the Fraser valley and New Westminster through Vancouver and across the inlet to Blair range. I believe another rifle range should be established just as quickly as possible.

Mr. RALSTON: Certainly I shall look into the question.

Mr. CRUICKSHANK: That is just what I was going to speak about, so that there appears to be marvellous team work in British Columbia. There is something else that I think should be stated in regard to these guerilla units, so that it may be clear in the British Columbia press. The officer commanding has been referred to as Major Taylor, but I understand that recently he has been promoted, so that now he is Colonel Taylor. I should like it made very clear that he is Major Tommy Taylor of the old 29th, because that would promote confidence in British Columbia. Otherwise the people there might think they were being protected by Major Austin Taylor, which would be something very different.

Mr. HAZEN: A moment ago the minister was asked a question with regard to the appointment of officers. Would he give us some further information as to how commissions are granted in the army? It was announced some time ago that every candidate for a commission had to go through the ranks; that then, if his commanding officer found that he possessed the necessary qualifications, he would be given the status of an officer cadet and would have the right to take training at an officers' training school.

The statement was made that all candidates had to pass through the ranks. At the time I did not know what that meant. I thought probably it meant that a man would have to enlist in the army; that he would have to spend some time there; that after a while he would become qualified as an N.C.O.; that after receiving some training as an

N.C.O., and after gaining some experience, he would be recommended by his commanding officer for a course that would permit him to obtain a commission. On the other hand to pass through the ranks might mean, and perhaps did mean in this case, that all a man had to do was enlist and then within a day or two obtain a recommendation from his commanding officer which would permit him to go to an officers' training school and take a course.

I know of men who enlisted early in the war and, by reason of their qualifications, became N.C.O.'s. I know that since these men enlisted they have had a good deal of experience in handling men; that they have taken courses; that they have shown certain qualities of leadership, and some of these men would like to be recommended for commissions. Matters of this kind have been brought to my attention. But these men are not recommended by their officers commanding, probably because their officers regard them as valuable men and want to keep them in their units in the positions which they now occupy.

These men see their friends and companions, with whom they were familiar in everyday life, go into the reserve army, spend perhaps a week or two there, and then the first thing they know their friends are at Brockville taking a course, or coming away from Brockville with commissions, while they themselves continue as N.C.O.'s.

I should like to know how a man who has been in the reserve army for only a short time and who has had very little training can be recommended for a commission in this way, while other men who joined the army early in the war, who have had a great deal of experience as N.C.O.'s. are held back and denied the opportunity to obtain commissions.

There is one other thing I should like to ask the minister, and it is in connection with the reserve army. Would he tell us how these officers are appointed? Do they have to take an officers' training course after entering the army as privates, or can they be appointed in some other way?

Mr. RALSTON: In reference to the method of appointing officers, and particularly granting them commissions, so far as I know and believe the system which was announced has been followed. There are certain technical services such as the ordnance, merical and services of the kind in which officers do not need to serve in the ranks before appointment. I am sure my hon. friend is referring to the artillery, infantry and other such services. That method is being followed. Of course, my hon. friend knows that if an officer had a commission in the reserve army, his commanding officer could recommend him to go to Brockville.

I am particularly interested in what my hon. friend said about a young man who had served a long time as a non-commissioned officer, who could not get a recommendation for the course at Brockville but who saw others who had served less time recommended for that course. I know my hon. friend does not mean it, but he has cast a grave reflection upon the commanding officer. I took my hon. friend's words down, and his theory was that this man was not recommended because the commanding officer regarded him as being valuable and wanted to keep him in his present position. I say that a commanding officer who takes that position with regard to his men is not fit to be a commanding officer. If that young man was qualified to be recommended, he should have been. If my hon. friend has any case in mind in which he thinks the commanding officers have treated young men who were qualified in that way, he has only to bring it to my attention and I will see that the matter is promptly dealt with.

My hon. friend spoke of a young man who had been recommended after only a few days' training, but I do not think that that can be the case. These men are not recommended after a few days' training. They take their training and they are recommended in due course. My hon. friend realizes that if a man is in a unit it is necessary that he have the recommendation of his commanding officer. That may be barred to some, but I hope it is not. If a commanding officer is not playing fair, if he does not realize his responsibilities, the sooner it is brought to my attention the better it will be for the service and for the young men themselves.

Mr. HAZEN: How are officers appointed in the reserve army?

Mr. RALSTON: I am afraid I have not the qualifications before me, but certain qualifications are required. The commanding officer of the reserve unit makes a recommendation. I cannot give my hon. friend the particulars at the moment, but I shall be glad to give them to the committee at the next sitting.

Mr. HAZEN: Do they have to start in as lieutenants or can they start in as major or with some other rank?

Mr. RALSTON: I should be very much surprised if they could. I know I had to start as a lieutenant, but I do not know whether everyone has to or not.

Mr. HAZEN: A few days ago the papers announced that Hon. J. B. McNair, premier of New Brunswick, had joined the reserve army as a captain and was going to camp as a captain. I wondered how it was that a man could step into that rank.

Mr. RALSTON: My hon. friend will have to ask the commanding officer of the Saint John district. I have no doubt that he will be able to answer in a minute. I do not think he is a man who would favour an individual because he happens to be in public life.

Mr. ISNOR: I would not like to see this resolution go through without bringing to the attention of the Minister of National Defence and the members of this committee, particularly those from the Pacific coast, the fact that there is another section of Canada vitally interested in our war activities. I have in mind the Atlantic coast, more particularly the coast of Nova Scotia. Paragraph (d) of the resolution reads:

> The carrying out of any measures deemed necessary or advisable by the governor in council in consequence of the existence of a state of war.

Some time ago the city of Halifax, which is part of the province of Nova Scotia, made representations to the Canadian National Railways for the improvement of the underpass on the main road to Debert and other sections to the north and northwest. They did this largely because of the need for bringing in reinforcements should there be an attack on the Atlantic coast centering around Halifax. I remember quite well the explosion which occurred in the harbour of Halifax in 1917 when something like 1,700 lives were lost. It was caused by a collision of two boats at a point where only one should have been. You all recall what that meant to the port of Halifax and the people of Halifax. A similar occurrence could very well take place at the present time. We all hope it will not happen, but it is quite possible. I remember at that time the roads were blocked and it was impossible to bring into the city the doctors, nurses and others who were anxious to give assistance to those who were injured.

An officer commanding a unit in mlitary district No. 6 has stated that reinforcements could not be brought in sufficiently quickly to help to defend the port of Halifax, largely because the railway and the road could become blocked or be put out of business by sabotage. It is in this connection that I direct the attention of the Minister of National Defence to the necessity of placing at the disposal of either the Canadian National Railways or the Department of Munitions and Supply sufficient funds to remedy this dangerous hazard which now exists, the underpass entrance at Fairview.

The city of Halifax felt that the Canadian National Railway was the proper body to deal with this matter, but a great many persons in Halifax and Nova Scotia, including myself, feel that it is really a matter of defence. I think all members of this committee realize that Halifax is playing a large part in the transporting of goods, munitions and troops overseas. If anything were to happen to prevent the reshipment of goods abroad brought in by rail to the city of Halifax, it would be a calamity so far as the empire is concerned.

This underpass is on the main artery leading into the city. As I stated a moment ago, if we were so unfortunate as to have an attack I doubt very much whether troops could be brought in from Debert and other points quickly enough to give assistance to the defenders of Halifax. The estimate of the cost of doing this work is $137,500. Application was made to the Canadian National Railways, but the learned counsel who represented the railway company presented such a good argument that the commission decided it was not within their jurisdiction that they should spend this amount. They claimed that it was the duty of the provincial highway authorities to provide an artery sufficiently wide to carry troops to the city of Halifax. I urge the minister to take this matter into his serious consideration with a view to placing at the disposal of the proper authorities a sufficient sum to provide an artery wide enough for the transport of troops should the occasion arise when that will be necessary.

I should also like to express the thought which I believe is in the minds of a great many, if not all of those associated with the defence of the Atlantic area, concerning the commanding officers. On two occasions in this house the question was raised as to whether these men were qualified. I feel that I am expressing the thought of all in that area when I say that we are perfectly satisfied with those who have been placed in charge of the defence of the Atlantic coast. We are familiar with the background of those men, not only the officer commanding but those associated with him in the army, the navy, and the air force. We on the Atlantic coast are satisfied that these men are making a pretty good job of the work which has been assigned to them.

I should like to ask a question with regard to the reserve army officers. I do not know

whether the officers of the reserve units are men who have volunteered for active service overseas or purely for home defence. The reserve army itself is set up for home defence, but I should like to know whether the officers of the reserve units at some time or another have volunteered for active service overseas.

In closing, may I urge the minister not to evade the question I have raised with respect to a sufficiently wide artery into Halifax—of course, I know the minister is not in the habit of evading questions or evading responsibility. What I mean is that I do not want him simply to say that the improvement of the main artery or road or underpass, or whatever he chooses to term it, is a question for some other body than the Department of National Defence. I feel that this work is so essential to the proper carrying on of our war activities that the minister should give it his very serious consideration.

Mr. RALSTON: My hon. friend in his very last words did give me an opportunity to say just exactly what he asked me not to say.

Mr. ISNOR: Then my language was unfortunate.

Mr. RALSTON: When he said that, I know that he recognized that I am not in a position to do more than that. I want to say to him with respect to the very representations that he has made time and time again—and no one in Halifax could ever accuse him of a lack of industry and persistence in connection with this particular matter—that I have taken it up, not from the point of view of the Department of National Defence undertaking the project itself, but in connection with the very hearing to which he refers, the hearing before the board of transport commissioners, when the suggestion was made that some grant be made out of the grade-crossing fund. I am interested in the matter both from the point of view of the movement of troops, as he is, and also from the point of view of the citizens of Halifax.

I can only say that I will talk with the officers again about it, and I will go further and talk with my colleagues in council about it and see if any way can be found which will make the situation better. I have done tactical schemes out of Fairview—I know the situation as well as my hon. friend, and I know it is not all that one would wish to see in connection with the operation of troops in the emergency of war. Therefore, instead of using the word "consideration," I will say that I will give the matter the closest study and draw it to the attention of my colleagues and discuss it actively with them.

Mr. ISNOR: Thank you very much.

[Mr. Isnor.]

Mr. HANSON (York-Sunbury): The minister has made a very satisfactory statement. I hesitate to intrude, but I happen to be very familiar with the situation at Halifax, and we all know that there is a bottle-neck. The only question is, whose responsibility is it to have it removed? I would assume that the railway had some responsibility, that the province of Nova Scotia also had some responsibility, and from the point of view of the evacuation of Halifax and the movement of troops into Halifax, the Department of National Defence also has some responsibility. Cannot these three bodies get together and have this situation cured? It certainly can be cured. It is merely a question of jurisdiction and dollars and cents, and the sooner that situation is cured, the better. It would bring a great deal of relief to the people of Halifax, where the situation would not be good in certain eventualities. I commend the minister for his undertaking to look into the matter further. It is just a question of getting around a table and discussing joint action, to have the thing done.

Mr. CHURCH: I should like to bring two or three matters to the minister's attention. He has been very obliging in supplying a lot of information that I wanted to get.

First, I would ask him in reference to the agreement which I understand is going to be signed in Toronto to-morrow about the use of the Canadian National exhibition grounds. The city of Toronto has spent about twenty-four million dollars on the grounds and buildings and permanent exhibits, and in view of that I think the minister should be good enough to make a survey and see whether the troops from the chief recruiting district in Canada, Toronto, cannot be housed in those grounds, as well as recruits from the neighbouring cities and towns. Toronto soldiers have been sent all over the country from Halifax to Vancouver. I wish to be helpful to the minister because I appreciate the great difficulties that anyone must have in operating a war department at this time. But I would say this, that in the last war recruiting was very greatly helped by having the home units stationed near their homes, where their families could see them, and their friends, many of whom they persuaded to join the colours. That policy was one of the greatest incentives to recruiting that we had in the last war. The minister was in the great war, and I appreciate what he did then in the matter of recruiting. The Toronto exhibition grounds comprise nearly four hundred acres. There

is also the waterfront and the Ontario government's magnificent Elizabeth highway; the land on both sides of that highway is practically vacant. All this area could be used for military purposes, for the accommodation of all the regiments in southern Ontario. It is unnecessary to spend a large amount of money on another camp if proper use is made of those grounds. I hope the minister will consider the agreement with the city of Toronto and accommodate the troops of Toronto and southern Ontario in the Toronto area.

My second point is with reference to transportation. The minister a year ago brought down a return which showed that up to the end of 1940 the Canadian Pacific railway had received $2,750,000 and the Canadian National railway $2,500,000 out of the war, or pretty nearly as much as they made out of the whole four and a half years of the last war. What kind of treatment have the soldiers obtained from the railways? I travel on the trains. I have taken this matter up with the minister, and he did make some effort to get the railways to improve their soldier rolling stock.

While travelling on the railways, I see hockey, baseball, and other United States teams from across the border and touring amusement and theatrical companies pulling up in front of the stations in luxurious cars on Canada's American end of our railways on a railway paid for by the people of this country, and yet we cannot get proper rolling stock in Ontario to carry the troops. On one train I saw a car at the back with Royal Air Force boys, some having come from as far as London and from all over the Toronto district. What do they think when they see two or three luxurious coaches devoted to the use of some of the people who stay at home to whom I referred, while they themselves are packed in like a lot of sardines on an old used coach? Talk about Toronto's street railway and the overcrowding under private ownership! I have seen nothing to equal this. When troops who have to come from as far as Vancouver and Halifax receive such treatment, before another dollar is voted for betterments in this house to the railways I intend to ask for and have a showdown. The railways are making fabulous sums out of the war by the transportation of troops, munitions and food, and the people of Canada are not getting value for troop transportation. I admit that the minister sent me a reply he got last summer from the railways, promising improvements, but that was almost a year ago, and nothing much better has yet been done.

I urge the government to insist on some improvement along the line I have indicated. Soldiers should have free passage on the railroads. It is unjust and unfair to send Toronto men, who should be accommodated at the exhibition grounds in Toronto, as far away as Vancouver or the eastern seaboard, or a few over to Labrador, where they cannot get home for six months and where the cost of transportation may be as high as $180. At the same time we have a pass system under which, according to the last Duff report, 687,000 passes were granted on the two railways. Unfortunately I am not able to be a soldier, but I plead for them, and I say that a showdown is called for. I admit that the board of transport commissioners has no jurisdiction over railway companies for soldier fares in war time; under the Railway Act they have not that power; but they or some other body should be given the power or authorized to enforce what I have suggested. Trains are being run now to Camp Borden—a camp on which, I venture to say, if the present minister had been minister at the time, $7,000,000 would never have been spent. I have called it an ice-box in the winter and a hot-box in the summer, and that is exactly what it is. There was no necessity of moving so many local troops out there when we have in Toronto the exhibition grounds, when we have the Elizabeth highway, and in view of the munificent help which the Ontario government has given to the extension of their highway system. It costs $1.95 to $2.05 to go to Camp Borden on a week-end; and if there are say, three children, half-fare must be paid, or more than a week's pay to the soldier is taken from the wife and family for one visit to Camp Borden. At the same time hitch-hiking on the road has been stopped. No wonder recruiting is handicapped. I notice the Minister of Finance in his seat. I sympathize with him in a great many ways; he has shown much patience towards some hon. members; but I must say I am very sorry that he could not see his way to aid recruiting and help the Minister of National Defence in carrying on the burden of the war by giving soldiers' dependents a cost-of-living bonus, the same as civilians get who draw around $175 a month.

Another matter to which I wish to refer is the women's army. I hold in my hand a copy of a debate of forty-six pages in the British House of Commons, sent to me by a British member of parliament who is interested in women's efforts as applied to the war. There was a long debate in the British house on March 6 of this year. I have written for three or four more copies of this report to

give to the leaders in the house. I hope that the minister and his deputy will study this question, and have time to read of what the women of Britain are doing to win the war. In my opinion a committee of the house should be appointed to study this whole question; it might include our two lady members and others of women's services. What are the women of Britain doing? In the course of the debate a British woman minister refers to the fact that in Birmingham, or Manchester, some women with three or four children are screening coal. Every woman in England is conscripted and is engaged in some war work. I do not urge that that should be the case in this country, but I believe that if the minister will study this question—and he has given it a lot of thought—he will learn how women's efforts could be greatly increased. Take the pay service, where male civilians as soldiers are employed; their work, or much of it, could be done by women, because it is done by women very well and efficiently in private industry. Note also how British women are transported to the munitions plants, and how dozens of government hostels have been erected all over the country in every district to take care of the children, the cost being borne by the government. While their children are being cared for, the women of England are engaged in the munitions plants and in all forms of production and in all kinds of work, whereas here it often happens that street cars are not available, nor are our women escorted to work and back, as they are in the old country. After all, women constitute 50 per cent of the population and will have to bear their share of paying for the war and the suffering of their children. Yet what they have had to put up with in the homes bombed and destroyed, with their soldier husbands away, is intolerable; they must look after their children, send them to school, provide them with meals, and many of them cannot keep body and soul together because of the high cost of living and lack of a bonus.

I wish to refer to one other matter. I do not think the minister will take objection to my remarks about the troops who got into trouble at Halifax. It is due to no fault of the minister, and I have already referred to the lack of equipment on the railways and his active efforts to better things. After two and a half years of war, surely a railway corporation, so well equipped with some luxury trains to which I have referred, or steamship company, can afford better accommodation for our troops. After all the people of this country have done for the railways and for shipping, they should be expected to treat our troops decently in land and ocean services. I have in mind the complaints of those who came from Vancouver to Halifax. I believe that the large majority of those young fellows wanted to obey the law, and I regret that we are not better provided with ships and railway cars. I know something about the navigation business. I was chairman of and a member of a harbour board in those capacities for twenty-seven years; I have taken a great interest in the waterfront and in shipping. Unfortunately the Canadian National Railways and the merchant marine sold some of our finest vessels for $10,000 each. I know of ships which were built for war service in the last war, costing one and a half to one and three quarter millions apiece, which were sold for a mere nothing. The history of shipping in the five years before the war discloses a deplorable state of affairs. Largely owing to the rate of taxation in England, it was not unusual a few months before the war to see in the British newspapers pages of advertisements offering boats for as low as $50,000. Liners sold for taxes. A number of the ships, the Prince line, which the Canadian National Railways disposed of for about $10,000 could now have been used to transport our troops. I had a return of these ships of the merchant marine and the cost and sale price thereof.

In the last war there was an inquiry with reference to the Dardanelles expedition and the Mesopotamia affair which revealed a shocking state regarding the troops. The minister himself is a soldier with a very fine record, and I know he is a man of keen personal sympathies. Although I am not here to speak on and know nothing of the Halifax incident, I think there should be some further inquiry and some action taken in this matter, and I hope due consideration will be given to fair and most lenient treatment of these men, because nobody sitting up here in an office should give orders regarding an incident of this kind at Halifax until there has been a proper investigation into the cause and effect, and proper transports afforded. I hope the inquiry will relate to the conditions under which these troops are labouring in transit, and also why, after two and a half years of war, we have not adequate transportation for war purposes on land and sea.

On Saturday night I stood at the corner of Queen and Yonge streets in Toronto. I saw a great many soldiers in the air force and the army, and along came five or six ladies, officers of the women's army, and these men had to salute them. The whole principle of saluting, except on parade, should be abolished. I fail to see the common sense of soldiers who are going overseas being

obliged to salute those not going overseas, or women troops. I was with a young soldier last Saturday night, a fellow who had been thirty-six times over Germany and who has now been transferred to the west coast. These are the men who have gone overseas and have been doing the fighting. Why should young soldiers in the air force and the other forces, like this young gentleman, have to salute a lot of people who are only civilian soldiers or, as a British member once called them "glorified civilians"? I am not here to criticize any man wearing the king's uniform; they deserve our praise, but I do suggest that the saluting business in principle is carried too far and except on parade it might well be abolished or curtailed. At any rate, some new, modern regulation should be made to govern this matter. I fail to see why veterans of the great war and this, and non-commissioned officers should be required to salute a lady. Every man salutes a lady in the proper way by taking off his hat, but I repeat, this saluting should be abolished or properly controlled.

I salute the minister and say to him that I hope he will go after this transportation question with which I have dealt and do something with the railways in order to improve conditions. Dear knows, improvements I suggested are badly needed. When I came here first we had a debate for six months on the question of the shipping combine in the Atlantic off Halifax. I do not know what sort of regulation we have in this war time. There was a long debate when I first came here on that shipping combine in the Atlantic and on improving it, and I do hope that this whole question will be further investigated.

Mr. RALSTON: I want to return the salute if I may. With regard to the use of the Canadian National Exhibition grounds, my hon. friend is touching on a point which I mentioned earlier to-day and which was referred to by the leader of the opposition (Mr. Hanson), namely, the desirability of promoting community esprit de corps. No one can say more for the Toronto units than I do. They are equal or almost equal to the 85th Battalion in the last war, and I should like to see some of these fine Toronto units in Toronto. But there is a difficulty here—difficulties are always cropping up. We have not sufficient training grounds in that area for manoeuvres. It is no use for me to fool myself or to try to fool the hon. member. I say frankly that the army is not planning to have units stationed on the exhibition grounds at Toronto. What we are planning on is having the grounds used as a proper depot, because I must say for the Toronto district, and district No. 2 generally, that I think they have carried on under as difficult conditions, so far as accommodation is concerned, as any district in Canada and have done a splendid job in connection with recruiting, notwithstanding that. We want to provide a better type of accommodation, and the exhibition grounds will give us an opportunity to do so. At the same time, no small part of the exhibition grounds will be taken up both by the air force and by the navy. We are carrying on extensive operations on the lake shore. I cannot give my hon. friend much hope that the Toronto units will be stationed there for any length of time, but I fully agree with him as to the desirability of having that done whenever it is possible.

With regard to transportation, the hon. member has been the champion of the soldiers, so far as transportation fares are concerned, from the beginning of the war. He readily concedes that something has been done in connection with fares. My colleagues and I had conferences last year with the railways and we did feel that we had secured a very genuine and substantial concession in the matter of fares. As the committee knows, we secured one-third fare on embarkation leave and one-third fare after six months, and that was contributed to by the government and the railways. I do not think I am justified in holding out any hope with regard to revision of that matter.

As to the conditions of transportation, I agree with the hon. member that improvements are desirable, but it is not the matter of money, I am assured, which leads to the paucity of rolling stock, but the necessity of devoting the car shops to the manufacture of other requirements than cars. Every scrap of rolling stock that can be used is being utilized, being shuttled back and forth from central Canada to the Atlantic coast, and as my hon. friend knows, the car shops are busy in the making not only of cars but of munitions of war. Conditions are not ideal in connection with transportation, but I do think that so far as the army is concerned there has been a slight improvement owing to the fact that a change has been made in the matter of accommodation so that there is now no discrimination as between the army and the air force.

The hon. member speaks of hockey teams and I agree with him. He also refers to theatre companies. But if you had as many hockey teams and theatre companies travelling as soldiers you would have to provide tourist accommodation for them as well as for the soldiers. It is a question of lack of rolling stock.

Mr. HANSON (York-Sunbury): Supply and demand.

Mr. RALSTON: Yes, and the emergent situation, in which there must be priorities having regard to the necessity and the urgency of war materials. The hon. member mentioned Borden. I agree with him about Borden so far as climate is concerned. It is an old and developed camp. The development has been crystallized and made more permanent by the air force going there as well. Instead of pulling out at Borden we are acquiring additional ground there and it does make an ideal ground for Canadian armoured corps training. We had good results so far as the fifth division is concerned, notwithstanding lack of tanks, and we shall have to keep on using Borden for a while, although we should like to use ground nearer Toronto or in Toronto if it were available.

The hon. member also referred to the boys going off the ship. That was a matter of bad accommodation; it was a combination of poor ship, short time for turn-around, and, along with that, the difficulties surrounding the fact that there were 69 different units, which gave rise to much greater trouble in the way of organization, supervision and control. That was the real cause of the trouble, and accommodation on the trip was not at all satisfactory.

The hon. member has referred to the place that women have in connection with the defence effort. I do not think that hon. members fully appreciate what a tremendous programme has been cut out for the country in utilizing the woman power of Canada this year. If we are to do the job we have to do in the raising of men and in connection with the mobilizing of formations which we have planned, there will be a great many more women in industry than there are to-day. My hon. friend is perfectly right that one of the prime necessities in connection with getting women in is to see that those who have families are given the assurance that their families will be looked after and that, as regards all of them, there will be accommodation, recreation and training. That is a tremendous job. You have to persuade the woman that she should go into industry, you have to move her to the industry or the industry to her, you have to train her, to provide accommodation for her at the industry and, if she has children, to provide accommodation for the children, and recreation facilities and medical attention, and persuade the employer that the woman is suitable for the job. As Minister of National Defence I am vitally interested in the matter; I thoroughly agree that we ought to pay all the attention possible to the accommodation and comfort of women who may be available to go into industry, and the hon. member will find no more enthusiastic supporter of what he advocates than I am myself.

Mr. CHURCH: I have a return here and blueprint of the pay of officers and men in all the services, and I have been asked by some hon. members if it would be possible for the minister to give each member of parliament a copy of this schedule of rates of pay. I am satisfied the members do not know what the rates of pay and sustenance allowances in the army, navy and air force of all ranks are, and I think each hon. member should be provided with this list. The inequalities are absolutely absurd.

I should also like to know whether any instructions have been given to the military authorities in No. 2 district for members of parliament to be invited to see a parade or inspect a camp or a munition plant or an air camp or something of that kind. I can say on behalf of two or three Toronto members that we have never been invited to see a camp or a parade or anything by army, air or navy since the war started. I think Toronto is about the only city in the dominion where that state of affairs exists, and it should not exist. How can hon. members represent their constituencies or vote funds when we have never been asked to see a camp or parade or attend a meeting since the war started?

Mr. RALSTON: Camp Borden of course represents a good deal more than the Toronto district; my hon. friend understands that. But I will see that an invitation is given to any hon. members who want to come any time I am there. I recall that my hon. friend and I did take a salute at a parade one time at the Toronto exhibition.

Mr. CHURCH: I have never had an invitation since the war started and I do not want any, because I am otherwise engaged.

Mr. RALSTON: I am going to ask my friend to come just the same.

Mr. STIRLING: There was a question I wanted to ask when the minister was dealing with the camps for reserve units, but I did not get an opportunity. When I was at home during the Easter recess I was pleased to find a happier atmosphere among units in the interior of the province with which I came in contact. The equipment question was progressing more satisfactorily, and consequently there was a happier feeling.

The minister has described the setting-up of the brigades in the various military districts. That appears to me to be an excellent idea, if those brigades can carry out training in camp as a brigade. The question I

wanted to ask is whether, when these summer camps come this year, the units which compose those brigades will have an opportunity of training in brigade work. For them to be able to do that it is obvious that equipment suitable to all the units of the brigade together must be available; not only the artillery, not only the armoured units, but the signals and other technical equipment of that sort will be required. To what extent will brigade training be possible, particularly in military district No. 11?

Mr. RALSTON: To a very much limited extent this year I would think. When one recalls the fact—my hon. friend recognizes it, I know—that these reserve units will be composed largely of men from thirty-five to fifty who may not have been in military work at all, there is not much chance for brigade training, if by brigade training my hon. friend means tactical training, where the infantry advances and whatever carriers there are go ahead and the infantry and the guns are behind and the services follow up. Probably there will be opportunity for an exercise or something of that kind, but it would have to be pretty sketchy and, I would expect, not very finished. At the same time that is the kind of training I have in mind as being more attractive to the members of the reserve units than the ordinary drill ground training or even musketry or gas training. But I think it would have to be very much limited this year. I will bring my hon. friend's suggestion to the attention of the training officers and see what can be done in that respect, having regard not only to the equipment but to the possibility of carrying out something which will be intelligible.

I am told that generally speaking—and my brief experience in the service I think bore it out—brigade tactics and even battalion tactics training to no small extent is training of staff rather than of men. Sometimes you can do a brigade scheme on the ground with staff almost as well as you can with the troops themselves. For the purpose of preliminary training at least you have to have staff training first. As everyone knows, the very essential of brigade or division or even battalion training is to have your troops together and explain the whole scheme before you start, and in order to do that intelligently you have to have your staff go over the ground first.

I will bring the matter to the attention of the training officers, because I sympathize with the suggestion and should like to see it carried out.

Mr. EDWARDS: Has the minister detailed information as to volunteers in the reserve army, as to enlistments since the programme was announced? I think that would be a matter of public interest, having regard to the agitation there has been on the Pacific as well as on the Atlantic coast, whether or not the patriotism or interest of those people who are probably most vitally concerned, those between thirty-five and fifty, is being reflected in the numbers volunteering for Canada's reserve army?

Mr. RALSTON: What my hon. friend would want I think would be a progressive return, and I have not one at the present moment. I have here the figures for April 9:

Reserve units	71,737
National Resources Mobilization Act recruits on establishment	5,062
Employed on training centre staff	1,523

That gives a maximum of a little under 80,000, that is apart from the supernumeraries, that is National Resources Mobilization Act recruits who are attached to the reserve army but whom I am not counting in that figure. In order to help my hon. friend one would have to have the previous week's figures. I will endeavour to get those. I know that in Vancouver the number that have enlisted from the time the camp started was something like 1,200 to 1,400. Their objective was about 3,000 altogether.

Mr. GILLIS: Most of the discussion this afternoon has centred on one end of the country. I had no desire to take part in the discussion, but it would appear to anyone reading the record that in regard to the question of defence we are concerned about only one end of the country. I was pleased to see one hon. member rise in his place and make some observations regarding Halifax. But I do not think he touched on the important thing so far as Halifax is concerned. I spent a week or so there within the last month, and I think the greatest danger Halifax is confronted with is the congestion that exists in the city. There has been perhaps a doubling of the population and nothing has been done with respect to establishing services to care for the increase. It is impossible to get a meal; it is impossible to get a room in a hotel. In that city there are large numbers of troops from all over the country, and naturally their families want to be with them. The rents that these airmen, sailors and soldiers are obliged to pay is something terrible, and that is one question which I think the minister should take under consideration.

I believe a large part of the population of Halifax is non-essential, and should not be there. If there is no accommodation for the families of men who are obliged to live there, they should be made acquainted with that situation, so that their families would not be taken from one end of the country to the other to create the congestion that exists in that city to-day. In my opinion Halifax is in the worst shape of any city I have ever been in; anything could happen there. The question raised by another hon. member, as to getting people out of the city, is important and should be attended to; but I believe the influx of people into Halifax at the present time is a matter that should be taken under advisement as well. I heard some terrible stories in Halifax, stories which I would not want to repeat publicly. Perhaps the minister knows all about them, but according to the information I obtained there, from sources I consider reliable, things certainly are not in good shape.

Of course Halifax is not Nova Scotia, though a great many people think it is. In the other end of the province there is a large section where they are making fairly good strides with regard to organization for air raid precautions work and all that sort of thing. But there is one matter which I do not think has been considered. Most of the collieries of Cape Breton island are located right on the coast. I do not know whether representations have been made to the department in this connection, but for sixteen hours a day you have working in many of these collieries approximately a thousand men. They are a thousand feet under ground, some of them five miles out under the Atlantic ocean. With one shell a ship near that coast could knock down the bankhead and entomb a thousand men, and it would not have to be a very large shell, either. The miners realize this, and no doubt this would be one of the first things an enemy ship would try to do. I know the men have been taking up this matter with the companies for some considerable time, but to the best of my knowledge very little progress has been made. This I think is another matter the department should take under advisement.

Then there is the question of promotions in the army, the establishment of officers. On several occasions in the house the minister has stated that this time the army was being formed on a democratic basis; that service and experience were the only things that would count; that men with the necessary qualifications, who went through the basic training, would be promoted and developed into our leaders in this war. I was very glad to hear the minister make those statements, and I should like to believe them to be true. But from the information I obtain, that is not so. If the minister would ride on a regular train from Montreal to Halifax and back again, and talk to the troops on the train, I think he would get a different picture. The story I get is this, that if you enlist, take your basic training and become a non-commissioned officer, you are there for the duration. It is considered bad manners for the rank and file soldier to make application for a commission. I do not know whether or not this is true, but the minister should know. I am told that most of their officers are being pitchforked in from the top. Most of them appear to be college students.

Mr. HANSON (York-Sunbury): Canadian Officers' Training Corps.

Mr. GILLIS: Yes, perhaps with the necessary pull to get a commission. They are being shoved in through the back-door. This is the one thing that will tend to break down the morale of the army to a greater extent than anything else, when you have boys who have served eight, nine or ten months, or perhaps a year in the ranks, who have the qualifications necessary to become officers and who have the respect and confidence of the men with whom they are working, and you find a group of officers brought in through another door, many of them just youngsters, given command of units over the heads of men who have been in the army for a much longer time. It breaks down discipline. There is no respect for the fellow who comes in on that basis. He does not get done what the man who served in the ranks would get done. That is the story I hear right across the country, that there is absolutely unfair treatment as far as the rank and file of the soldiers are concerned, with respect to the obtaining of a commission; in other words, rank discrimination.

There is another matter which I think the minister should take into consideration, which I believe is retarding enlistments on a voluntary basis. Most of the industrialists of Canada to-day refuse to give employment to boys who have been discharged from the army as medically unfit.

Mr. RALSTON: Refuse to do what?

Mr. GILLIS: Refuse to accept men in industry who have been discharged from the army as medically unfit. I have met numbers of boys who have told me, "I have

applied for a job. I have done the best I could. I was in the army for four months"—or eight months, or a year—"and I cannot get a job. I present my discharge certificate, and they tell me it is not worth the paper it is written on. They say they do not want men who are physically unfit, that if I am not fit for the army I am not fit for the work they have to offer." There are many men running around with discharge certificates, many of whom have had considerable service, unable to get work. The other boys, who would like to enlist, see what happens to these men and say, "If I get a certificate showing that I am medically unfit I am out of luck as far as work is concerned," and they do not enlist. The minister should check up on that matter.

With respect to the question of women in industry, we all agree on this principle, but I think we must be careful to see that the employer does not take advantage of the present situation to weed out many of the men and bring in women at much lower wages. This has been done. Right here in Ontario men who were receiving 80 cents an hour have been shoved out of industries and replaced by women at 35 cents an hour. The principle of employing women in industry is sound, but it should not be followed until there is a shortage of labour, and certainly employers should not be permitted to take advantage of it, as some are doing at the present time.

Mr. Chairman, it is almost six o'clock and I do not want to take up any more time. I did want to make these few observations with respect to the east coast. Matters are in bad shape there, perhaps more so than on the Pacific coast. People are beginning to realize the situation. I believe one great mistake we are making is in our refusal to take the people of the country absolutely into our confidence with respect to the seriousness of the situation. It may be said that to do so would cause fear, or this, that or the other thing. It will not. I think our greatest mistake is in trying to minimize some danger that may be a great deal more serious than the people imagine. You are lulling them to sleep, and if anything should happen they will not be ready for it. If the people are told the absolute truth, with all the cards laid face up on the table, they will go to work with good heart. I know on the island of Cape Breton they are war-minded to-day. The workers themselves are taking the initiative in pushing the employers in connection with many questions. The steel workers, the miners and others are setting up production committees themselves, and so on. They are beginning to realize that the situation is serious, and they are ready to meet it with everything they have. That should be the general policy right across the country.

Mr. McCULLOCH: Returned men are given preference in the steel and car works. I have had a great deal to do with returned men there, and I know they are given this preference.

Mr. ILSLEY: Before I move that the committee rise, I am going to have my colleague move an amendment, that the amount mentioned in this resolution be reduced from $2,000,000,000 to $1,500,000,000.

Mr. MULOCK: I move accordingly.

Mr. MacINNIS: Is that because we have already voted $500,000,000?

Mr. ILSLEY: Yes.

Amendment agreed to.

Progress reported.

At six o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, April 23, 1942

The house met at three o'clock.

CANADA EVIDENCE ACT

AMENDMENT TO MAKE PHOTOGRAPHS OF BOOK ENTRIES ADMISSIBLE IN EVIDENCE

Hon. L. S. ST. LAURENT (Minister of Justice) moved for leave to introduce Bill No. 66, to amend the Canada Evidence Act.

Some hon. MEMBERS: Explain.

Mr. St. LAURENT: The purpose of this bill is to submit for the consideration of parliament an amendment following a recommendation of the commissioners on uniform legislation of the Canadian Bar Association. It would add a section to the Canada Evidence Act to make admissible as evidence photographic copies of entries in the books of banks or of the dominion government or of any of its departments, and incidentally permit the destruction of voluminous old records, thereby saving considerable storage space. A similar bill has already been adopted by five of the provincial legislatures and is being considered by the others.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

WHEAT ACREAGE REDUCTION BONUS

Mr. HAZEN:

1. What are the names and addresses of the persons to whom cheques were issued (a) for over $10,000, (b) for $5,000 to $10,000 on wheat acreage reduction bonus?
2. How were the amounts made up?
3. How much did each receive?

Mr. GARDINER: This question has been given further consideration and I would still suggest to the house that it be dropped, on the grounds stated a few days ago. I have no objection at all to the names being given to any member of the house who desires to have them, but I hesitate to set a precedent by bringing down a list of names out of a group of 186,000. It would require a great deal of work by the staff, and, if given with respect to this legislation, similar information might be asked for in connection with the Prairie Farm Assistance Act and other measures of the kind. It would entail an enormous amount of work if the house were to take the position that all these names must be given, together with the amounts received.

Only seven names are involved in this particular list. Three of them are names of companies, and four I think are names of individuals. I do not know any of the individuals except one in Saskatchewan; the others are in Alberta. There is no personal reason, involving the individuals themselves or the companies or the government, why these figures should not be given, and as I have said, I have no objection to giving them to any individual member who desires to have them. But companies have asked us for lists of these names for the purpose of using them in making collections. I do not want to be misunderstood when I say that. It is not a question of the individual, but they want these lists of names in groups in order that they may send out their collectors to make collections. We have not thought it proper to turn over to them lists which might be used in that way. They could be got indirectly through people asking for certain names in certain areas and by giving certain dates. But we hesitate to have that done, and for that reason I suggest that the question be dropped.

Mr. COLDWELL: Mr. Speaker, before the question is dropped I would point out that a matter of principle is involved. If the government feels that it is not in the public interest to give certain information to the house, the government may withhold that information; or if giving it would entail too great an amount of work, the information may be withheld. But in this particular case there are only seven names, and regardless of everything else I think as a matter of principle we should insist upon this information being given to the house. I have asked from my place for the amounts paid to certain persons in the lower categories, and no objection was ever made to giving me that information publicly in the house. As to giving such information to companies which ask for lists of names, that is a different matter. But when members of the house ask for details of the expenditure of public moneys, for the information of parliament, I think the principle is sound that we should be given the information, and on that ground I hope the question will not be dropped.

Mr. GARDINER: Mr. Speaker, if I may be permitted, I do not recall ever having brought down in the house any list of names or any figures applying to individuals. The question has been asked a number of times and the same position has always been taken with regard to it as is being taken now. It is true that when we have been discussing a matter in committee back and forth across the floor some information has been given, as also when hon. members have written with regard to individual cases, but I do not recall any list ever having been given.

Mr. COLDWELL: No. I asked what an individual had received, and I received the information in answer to the question.

Mr. HAZEN: I put this question on the order paper, and I object to its being dropped. If you will examine the question you will notice that it asks not only for the names and addresses of the people who have received these large amounts, but also for further information; it asks how were the amounts made up. Under this wheat bonusing act, as I understand it, $4 an acre was allowed for land which was put in summer-fallow and $2 an acre was allowed for land which was put into coarse grain. This is public money, and we as the trustees and representatives of the people are entitled to know how that money was spent. Surely we are entitled to information of this kind. If we are not, I really do not know what good we are here so far as the public treasury and finances of the country are concerned.

Mr. STIRLING: If I may, I would like to suggest that the question be not dropped to-day, that at least it stand over until the Minister of Finance has made the statement on subsidies which he proposes to make. It may easily link up with what is divulged on that occasion. I should like it to stand.

Question stands.

USE OF CHARCOAL IN PRODUCTION OF GAS

Mr. NEILL:

1. In view of the scarcity of gasoline, has the attention of the government been called to the widespread use in Australia of what is called producer gas units, whereby charcoal is used to produce gas, and over 13,000 have been fitted to motor vehicles?

2. Would the government have the matter investigated as to the possibility of its introduction in Canada?

Mr. HOWE:

1. Yes.

2. The government has had this matter under active investigation since midsummer of 1941.

INCOME TAX CONVENTION—UNITED STATES COMPANY DIVIDENDS TO CANADIAN SHAREHOLDERS

Mr. MacNICOL:

1. Is the income tax convention between Canada and the United States, signed at Washington on March 4, as announced by the Minister of National Revenue to this house on March 5 (official debates, page 1143), now effective?

2. If not, why not?

3. What action is the government taking with regard to certain United States companies which are still deducting 27½ per cent from the dividend cheques of their Canadian shareholders, contrary to the provisions of the said reciprocal convention which now only call for a 15 per cent deduction?

Mr. GIBSON:

1. No.

2. It has not received formal approval by congress.

3. None, as the convention is not yet effective. When it becomes effective it will be retroactive by its terms and refunds will be made.

GASOLINE RATIONING—BEER AND INTOXICATING LIQUORS

Mr. NICHOLSON:

1. How many brewery delivery wagons or trucks have been furnished with ration books for gasoline?

2. In what category are these vehicles placed?

3. What, if any, instructions have been issued regarding delivery of beer and other intoxicating liquors?

Mr. HOWE:

1. Approximately 240,000 applications for commercial vehicle ration books have been issued. These cover all users entitled to commercial rating but no segregation has yet been possible to show the different types of commercial houses concerned.

2. Brewery delivery trucks come under the commercial category and as such are not rationed in gasoline.

3. All deliveries come under the jurisdiction of the administrator of services of the wartime prices and trade board. There is close collaboration between the administrator and the oil controller. Deliveries, so far, are restricted to one per day.

QUEBEC FISHERMEN—REQUESTS FOR ASSISTANCE

Mr. ROY:

1. Are the fisheries of the province of Quebec, except the Magdalen islands, administered by the dominion or the provincial government?

2. To which government, federal or provincial, should the needy fishermen of Quebec address their requests for assistance to procure nets and other fishery equipment they require?

Mr. MICHAUD:

1. By the provincial government.

2. The federal government does not provide nets nor other fishing equipment to fishermen.

EXPORT OF SCRAP AND WASTE RUBBER—FAIRMONT COMPANY

Mr. FRASER (Peterborough West):

1. Does the Fairmont Company, Limited of Toronto export scrap and waste rubber to the United States?

2. If so, is all the reclaimed rubber returned for use in Canada?

3. If it is not all returned for use in Canada, what portion is returned?

Mr. HOWE:

1. Yes.

2. It is anticipated that the return tonnage of reclaim will be at least equal to the scrap rubber exported. So far, the receipts of reclaim into Canada from United States have been in excess of the scrap rubber exported to the United States.

3. Answered by 2.

LABOUR CONDITIONS—MIDLAND, ONT., SHIPYARDS

Mr. ROY:

1. Have the workmen in the naval yards at Midland, Ontario, been on strike since April 16?

2. Has the government taken any steps against the instigators of the strike?

3. If so, what steps have been taken?

Mr. MITCHELL:

1. A strike in the Midland shipyard in violation of the Industrial Disputes Investigation Act began on April 16. The employees returned to work on the morning of April 22.

2 and 3. On April 20 the situation was reported to the Department of Justice and that department has instituted prosecutions.

VICHY REPRESENTATION

INQUIRY AS TO PRESENT POSITION—ACTION OF SOUTH AFRICA

On the orders of the day:

Hon. GROTE STIRLING (Yale): I should like to ask the Prime Minister if he can confirm or otherwise the rumour that the Union of South Africa has ceased diplomatic relations with Vichy, and whether he can make any statement on Canada's relations with Vichy.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I would say to my hon. friend the acting leader of the opposition that I believe the statement that South Africa has severed diplomatic relations with France is correct.

The severance of diplomatic relations between countries is always a serious and regrettable matter, and it would be doubly serious and regrettable, I think, in the case of countries which have been as closely associated as have Canada and France for a period of three centuries. Also, at a time of war, a matter of such grave concern should, I feel, be considered not only in the light of the feelings or interests of one's own country but also in the light of how one country's action may possibly affect the interests and relations of other countries with which it is allied. For that reason our government have felt it advisable to have a very complete exchange of views between the government of the United Kingdom and ourselves and the government of the United States and ourselves, before reaching a final decision with respect to the attitude which Canada should take towards France as a consequence of developments in that country in the last few weeks. This exchange of views is still in progress. I am not in a position to make a statement this afternoon, but I shall be, I expect, in a position to make a statement to the house when hon. members reassemble on Tuesday next.

THE PLEBISCITE

REPORT AS TO ALLEGED PURPOSES AFFECTING LABOUR AND UNION ORGANIZATION

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): I should like to direct a question to the Prime Minister, of which I sent him notice this morning.

It has been reported to me from several sources that some suspicion has arisen in the minds of the workers in various parts of Canada regarding an alleged purpose of the forthcoming plebiscite. It is rumoured that the government intends to use an affirmative vote as an indication of approval for the further immediate regimentation of labour and as a means of controlling union organization and activities. In view of the influence this may have upon the outcome of the voting on Monday, will the Prime Minister make a statement to this house and to the country denying these rumours?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I thank my hon. friend for directing my attention to the rumours. I had not heard them, but I do give the most unqualified denial to them. As a matter of fact the government has had no intention of the kind in its mind, nor would its intention be influenced or affected one way or the other by the result of the vote on Monday next. Indeed, the vote on the plebiscite has no bearing whatever upon the question to which my hon. friend has referred.

JAPANESE NATIONALS

REMOVAL FROM BRITISH COLUMBIA COASTAL AREAS

On the orders of the day:

Mr. THOMAS REID (New Westminster): I should like to direct a question to the Minister of Labour. Some time ago some assurance was given us that all the Japanese in the coastal areas of British Columbia would be removed. Is the Minister of Labour in a position to inform us what length of time it will take to remove them from the coastal areas to beyond the Cascade mountains?

Hon. HUMPHREY MITCHELL (Minister of Labour): I had notice of this question just prior to entering the house. I think this may be said in fairness, that we have broken the back of the Japanese problem as it was presented to this house. The exact date I could not say, and I do not think anybody else can say, but the hon. member can rest assured that we are moving with expedition to carry out the will of this parliament in connection with the removal of Japanese from the coastal areas of British Columbia.

Mr. REID: Is it the intention of the government to remove all Japanese from the coastal areas?

Mr. SPEAKER: Order. We have had questions along this line already. I think the question should be put on the order paper.

STRIKE OF ROAD WORKERS—ARMED GUARDS FOR CAMPS

On the orders of the day:

Mr. G. A. CRUICKSHANK (Fraser Valley): I should like to direct a question to the Minister of Labour. What action is being taken to prevent a repetition of the sit-down strike of Japanese road workers while in camp? What action is being taken to place sufficient armed guards over Japanese workers while in camp?

Hon. HUMPHREY MITCHELL (Minister of Labour): I received a copy of this question just as I entered the house. The hon. member is well aware that the question of discipline comes within the jurisdiction of the commission charged with the Japanese problem in British Columbia. I assume that they would be quite capable of putting into force any needed disciplinary measures. With regard to the second question, here again the commission has full responsibility for the placing of necessary guards over the Japanese while at work. If my hon. friend has any representations that he would like to be made to the commission through me with respect to the matter, I shall be glad to carry out his wishes.

POSTAL SERVICE

SOUND REPRODUCTION RECORDS FOR USE OF THE BLIND TO BE TRANSMITTED FREE OF POSTAGE

On the orders of the day:

Hon. W. P. MULOCK (Postmaster General): Mr. Speaker, in Canada books for the use of the blind are transmitted free of postage under section 47 of the Post Office Act. In recent years an entirely new method of publishing books for the blind has been developed and is widely used by blind people throughout the country, namely, sound reproduction records or "talking books." It is understood that there are as many blind readers in this country reading from sound reproduction records as there are from the conventional books in raised type. In view of this fact I have in the interests of the welfare of the sightless people of this country issued instructions to the effect that sound reproduction records for the use of the blind may be considered as books for the use of the blind within the meaning of the Post Office Act and as such will be transmissible in the mails free of postage. This change will become effective immediately on publication of the usual notice in the *Canada Gazette,* which I expect will be this week.

CHEESE

NEW AGREEMENT WITH BRITISH MINISTRY OF FOOD IN RESPECT OF 1942-43 PRODUCTION

On the orders of the day:

Mr. M. C. SENN (Haldimand): I should like to direct a question to the Minister of Agriculture. Has a new agreement been reached with the British ministry of food for this year's output of Canadian cheese? If so, what is the amount of the quota? Further, has the price of Canadian cheese been set for 1942, and is it the intention of the administration to continue to pay a bonus on high grade cheese?

Mr. SPEAKER: I think this question should be placed on the order paper.

Hon. J. G. GARDINER (Minister of Agriculture): Mr. Speaker, in view of some very extenuating circumstances that arose last night perhaps the house will permit me to make a statement at this time, especially in view of the fact that it will be closed for the next two or three days.

Mr. SENN: That is why I asked the question.

Mr. GARDINER: An order in council was passed after the house rose last evening, and the passing of that order in council resulted in an announcement being made to the press. The reason for making an announcement last evening, as the hon. member who is asking the question knows, was the fact that to-day is the cheese board day and biddings on cheese will be made to-day all over eastern Canada. If an announcement had not been made last night, if it had been made to-day or to-morrow, considerable loss might have been taken by certain people who are dealing in cheese to-day. The new agreement entered into with the British government is to be effective from April 1 until April 1 next. I have here a summary of the agreement which I think I should place on *Hansard.*

The arrangement provides for the sale to the United Kingdom ministry of food of 55,800 tons, 2,240 pounds per ton, or approximately 125,000,000 pounds of cheese from the Canadian production of the fiscal year 1942-43. The ministry also agrees, subject to freight being available, to purchase such additional quantities within their requirements, as Canada may have available for export.

A schedule of quantities to be shipped each month from the present time to the end of April, 1943, is provided and the ministry assumes responsibility for providing marine

transportation. Payment will be made by the ministry to the extent of 90 per cent of the value as soon as possible after the cheese are shipped and the remaining 10 per cent of the value will be paid within 28 days after arrival of the cheese in the United Kingdom, or in the event of the steamer being lost, within 28 days of the estimated due date of arrival.

The shipping schedule will necessitate storing of considerable quantities of cheese in Canada to await shipment during the months of scant production. Last year 90 per cent of the value of cheese held in storage by licensed exporters for later shipment was paid by the ministry of food when the cheese were placed in storage. This year the Canadian government will make the initial payment of 90 per cent of the value to the licensed exporters when such exporters place the cheese in storage, for export during subsequent months. When the cheese are shipped the ministry will reimburse the Canadian government for the advanced payment made to the exporter. This change in procedure of payment is designed to simplify accounting for the ministry of food.

Accuracy of weights is to be verified by the official weigher appointed by the Montreal board of trade, under authority of act of parliament. Such verification will be checked from time to time by an officer of the Department of Agriculture. The quality of the cheese is to be determined by graders of the staff of the Dominion Department of Agriculture. The prices to be paid f.o.b. ocean steamer Montreal or f.o.b. car Montreal for export through the winter ports are:

	Cents per pound
For first grade (92 score and over)..	20
For second grade (87 to 91 score)...	19·50
For third grade (under 87 score)....	19

The ministry of food has intimated that the prices specified are higher than may be desirable in view of the probable effect that post-war conditions may have on the markets for cheese, but that subject to due consideration by the government of Canada of the proposed price in relation to post-war developments, the ministry of food is prepared to approve the agreement.

By way of explanation of that statement, which is taken out of the order in council, possibly I should say that the British government was concerned about the advisability of their agreeing to a payment of 20 cents per pound at this time. They believed that if they agreed to pay that it might have some effect upon the price which would be required from Canada for cheese after the war is over. They suggested that if the dominion government would take the responsibility for saying that this price was necessary to production in Canada at the present time and that it would not necessarily affect prices when the war is over, then they were prepared to agree to it for this year. I may say that it was discussion over that point which somewhat delayed the announcement being made. We had hoped it would have been made not later than early in the month of March rather than at this time.

Information available indicates that Canada may supply not more than approximately 15 per cent of the cheese which the United Kingdom will receive during the current year, and in view of increased costs of labour and supplies required in the production of cheese, the prices provided in the agreement are not considered out of line with increased costs of production. The agreement has received formal approval of his excellency in council and, as already stated, the ministry of food has intimated it is prepared formally to approve the agreement.

[Mr. Gardiner.]

LABOUR CONDITIONS

ALLEGED INTIMIDATION OF UNION WORKERS BY MOUNTED POLICE

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver East): I should like to ask a question of the Minister of Justice arising out of a complaint or complaints made to me by Allan C. Wright, Canadian Congress of Labour organizer at Vancouver. Mr. Wright makes two complaints of alleged intimidation of himself and union workers by the Royal Canadian Mounted Police. I sent to the minister a much fuller statement. One of the complaints made is in connection with security officer Payne, whom Mr. Wright accuses of asking workers about their trade union membership. I should like to ask the minister if he will have an investigation made at as early a date as possible and take whatever steps are necessary to protect workers in their lawful activities.

Hon. L. S. ST. LAURENT (Minister of Justice): The hon. member's question will appear in *Hansard;* I shall have the matter investigated and give any information that I may be able to obtain.

VOCATIONAL TRAINING

FINANCIAL ASSISTANCE AGREEMENTS WITH PROVINCES—ADVISORY COUNCIL

Hon. HUMPHREY MITCHELL (Minister of Labour) moved the second reading of Bill No. 64, to assist in the carrying on and coordination of vocational training.

Motion agreed to, bill read the second time and referred to the special committee on vocational training.

VETERANS' LAND ACT

PROVISION FOR SETTLEMENT ON THE LAND OF VETERANS OF THE PRESENT WAR

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health) moved the second reading of Bill No. 65, to assist war veterans to settle upon the land.

Mr. THOMAS REID (New Westminster): Before this bill is given second reading and passed on to the committee, there are certain remarks and suggestions I wish to offer. I approach this subject as one who has had close and intimate contact with those who went on the land under the old soldier settlement scheme, known as the soldier settlement board scheme, and I know something of the tragedies as well as some of the successes of that scheme. At the outset I wish to compliment the minister upon the forward step made in this bill. But knowing what has happened in the past I have one or two further suggestions to make.

The hon. member for Haldimand (Mr. Senn) the other evening, following the fine speech made by the hon. member for Peace River (Mr. Sissons), suggested to the government that in the allocation of money or the settlement of men under this scheme his particular constituency or the province of Ontario be not overlooked. Might I point out this interesting fact, that when the soldier settlement scheme was put into effect many years ago British Columbia put more soldier settlers on the land than the provinces of Ontario and Quebec combined. In fact almost as many ex-soldiers settled in British Columbia as in Ontario, Quebec and the maritime provinces. Therefore we in British Columbia were more concerned, shall I say, and had closer contact with the welfare of the men, than perhaps hon. members from some other provinces.

My first suggestion is in regard to amortization. The committee might very well look into the matter of straight annual payments rather than amortization, because if one looks at the scale of moneys payable over the years he will see that, under the amortization plan as proposed, a settler in ten or twelve years would pay less principal and more interest than he would under straight annual payments.

I am very well pleased that the suggestion has been made to reduce the interest from 5½ per cent to 3½ per cent, but I say frankly to the government and the Minister of Finance (Mr. Ilsley) that he might just as well face the issue now and consider reducing the interest for those under the present soldier settlement scheme. They are now paying 5 per cent, and the government and members of parliament are going to be faced with this very issue. The veterans of the last war are going to ask: "Are we not as good soldiers as the soldiers of this war? We also offered our lives and services in 1914-18 and so should receive like consideration." I warn the government that they might just as well now look to reducing the interest under the old scheme from 5 to 3½ per cent. Up until the end of last year the total amount paid in under the soldier settlement scheme, in principal, was something over $31,000,000, whereas the interest payable totalled $24,670,190. While many reasons have been given why men left their farms under the soldier settlement board, to my way of thinking one of the grievous enactments was the 5 per cent interest rate. In the lean years and years of depression the debts of the soldier settlers mounted up, and many instances could be cited where after ten or fifteen years of toil and payments, soldier settlers found themselves owing more money to the government than they did when they first entered the scheme.

We hear a great deal about a new order after this war. I am going to leave this thought with the ministry and hon. members of this house: if we are thinking of that new order, why should not a start be made now in this bill? I am not unmindful of the far-reaching effect this bill will have, but I suggest that consideration be given to the scheme in operation in Australia. There if a man purchases land under a land settlement scheme—I am speaking of ex-service men particularly—he knows from the day he goes on that land that no matter how good or how bad the times are he will not be required to pay any more than the original debt. In other words the debt to the government is tax free.

I know there are those who were disposed to laugh when the leader of the Social Credit group the other day spoke about making a grant of farms or land to these men. After all, is there anything extraordinary or out of the way in giving to the men who offered their lives a portion of this good land of ours? Looking at the losses the government incurred under the old scheme, I say in all sincerity that we could very well have given the land free to every man who came under the old soldier settlement board scheme at its inception, and we would still have been money ahead, because, as has been pointed out by the minister, some $4,000 per capita has been lost under that scheme. I believe that $4,000 average is somewhat more than the average debt incurred by each settler under the original act.

I am therefore suggesting that the committee give some consideration to the Australian scheme. After all what is the real intention of this act? Is it to establish men on the land after the war? I know there are doubts in the minds of some hon. members as to why we should place men on the land at all, but in a country such as ours soldier rehabilitation must embrace some land scheme.

One of the important points not touched on by the speakers the other evening was the economic conditions which may exist after this war. While the minister pointed out that $144 per annum would be the total amount any soldier taking up land would have to pay under a total scheme—by which I mean one involving the limit of $3,600 plus $1,200 for stock and equipment—it should be remembered that to this amout must be added taxes and insurance premiums, so that roughly speaking a man taking up land under this scheme will be called upon to pay at least $200 a year. I think I can speak fairly well for the farmers of the province of British Columbia when I say that in many years few farmers can pay a debt of $200 and live decently. If you have no markets and cannot sell your goods, the amount of interest and even the unpaid principal will become a very great hardship indeed. I suggest for the consideration of the committee that the government might very well absorb these interest charges. According to the figures given by the minister when speaking on the resolution, $1,000,000 a year would, I believe, take care of all the interest which would be charged those taking advantage of this scheme. It might be well worth considering whether, when we help these men go on the land, we should further burden them with interest payments.

I am not so much enamoured of the suggestion contained in the resolution that the director should have the right to sell out any settler. We should be very careful in transferring a right of that kind from parliament to an individual. Remember that under this scheme a settler will be required to pay taxes. If he does not pay them he may be sold out by the municipality, subject of course to the interest retained in the land by the director or the board. But I doubt the wisdom of giving the director absolute power to sell out a settler in the event that such settler should fall down in his payments.

Another suggestion I have to offer is that the act should not be put into operation until the end of the war. I fear that if we start in on this scheme now, by the time the war ends so many things may be said against it that there will be no inducement to the great majority of the men, who might otherwise do so, to go on the land at the conclusion of the war. When this act is passed it should contain a clause providing that it shall not become operative except by proclamation; and I commend that suggestion in all seriousness to the committee that is to study this measure. I am particularly interested, however, in the "no interest" clause; for I believe that if you relieve these men of the payment of interest you will not only remove a great burden from their shoulders but you will give them more hope and more incentive to pay up and establish themselves permanently on the land.

There was one other thought I wanted to leave with the committee. I believe this scheme envisions a man working partly on the land and partly in industry. This idea was suggested many years ago by Henry Ford, who had a scheme for establishing small Ford factories all over the country in which men might be engaged for five or six months of the year and sustain themselves for the remainder of the time by working on the land. Perhaps that is what is in the mind of the government in connection with this scheme, but it will not work in British Columbia. Later I intend to have a great deal more to say with regard to the centralization of industries in this country, which to my mind at any rate is going to bring about a troublesome uneconomic condition after this war is over. We have practically no industries at all in the Fraser valley, and I might almost say few in British Columbia, and I am just wondering where the men who take up land in that province, especially those who have only small farms, will be able to find employment. In the past in British Columbia many men went on the land with the intention of ranching; many others went in under the old soldier settlement board, and after they got settled on the land they all had to find additional employment somewhere in order to earn einough money to keep going.

Many of those who reside in the cities believe that a man on the land gets all his food free, that his eggs, his milk and everything else come to him without cost. To those who have that mistaken idea I want to say that generally speaking it costs the man living in the country these days more for his goods than it costs the man in the city. If he does get eggs he has to buy wheat and other grain to feed his chickens; if he does get milk he has to buy feed for the cow, so that his food does cost him more than his labour. I make this statement because I

rather got the impression the other day that some hon. members had the feeling that a man living in the country could manage to exist without any monetary cost at all.

I apologize for having taken up the time of the house to this extent, but having dealt with this matter for a great many years I thought I should offer these suggestions in the hope that they will be given every consideration when the committee meets to study this bill.

Mr. E. G. HANSELL (Macleod): Before this bill is given second reading and sent to the appropriate committee I should like to offer a further suggestion which perhaps has not been particularly emphasized heretofore in this debate. I have often wondered why so much was said about the advantages of a new act as compared with an old one. It seems to be becoming almost a byword to say that a certain act is a great improvement over the old act, and so on; but I could never understand why, if that were so, the old act—whether this act or another one—was not changed and improved when it was found to be unworkable.

During the course of the debate on this bill many hon. members have said that of course this act does not in any sense guarantee security for the soldiers who will be settled on the land. Obviously, as the Minister of Agriculture (Mr. Gardiner) mentioned the other day, governments have no control over the sunshine and the rain. They have no control over the forces of nature, and many things may happen in the intervening years to make the situation desperately hard for these soldiers who will be settled on the land. We cannot help the reverses that nature may bring us, but we can so frame our legislation as to give these men the security they deserve. I do not believe anyone will disagree with the principle that any soldier who offers his life, as he faces shot and shell in bloody battle, on his return should be offered security for the rest of his life. I am not going to enlarge on the details and ramifications as to what he should do and what the governments should do. The principle that any soldier who offers his life in defence of his country upon his return should be given security for life, should be made clear and clean-cut. We do know that that has not been done.

I have a suggestion for the committee which will review the bill and will have power to make amendments and dress it up so that it may be acceptable to the house. I visualize that when the bill is passed and the time arrives for the government to purchase land under the scheme, there may be wholesale foreclosures on the farming public of Canada who are to-day in desperate need and debt. They may be made under the assumption that those who foreclose may then offer their land for sale to the government at a price satisfactory to the vendors. I am suggesting that the committee give this possibility some consideration. We should cooperate with the provinces in bringing about certain just debt laws.

Let us not be misunderstood in this matter. We have never claimed that debt should not be paid. Our stand is quite the contrary, that the adjustment of the fiscal policy of Canada should be such that debts can and would be paid. Under the present fiscal policy of Canada with regard to agriculture, we are fast reaching the place where the sanctity of debt is regarded as being a little bit greater and more important than the sanctity of the home. That should not be so. I agree of course that if debtors throughout the years have had opportunity to pay off their debts and have failed to do so, they must be dealt with accordingly. In Canada agriculture has done its best to pay its way, but it has not been able to get out of debt.

The other day in this debate the Minister of Finance questioned the hon. member for Acadia as to whether the trouble under the old act had been that the land was purchased at the close of the last war, a time when there was serious inflation. I maintain that the difficulty was not so much that the land was purchased during a period of inflation as that a period of deflation was permitted to follow, which no government of that day had power to control. The minister's statement was an admission, not necessarily by his own government, that the government is powerless to control that which the banking institution of Canada can bring on when they desire.

May I go a step farther. It is all right to cry to high heaven and to raise the bogey man of inflation. But so far as the debtor is concerned inflation helps him, because in a period of high prices he is in a better position. If agriculture in Canada to-day were experiencing an inflation of their own commodity prices they would be in a better position to pay off old debts. I am not advocating that there should be inflation, but I am saying that there should not be inflation at one time and deflation at another, a circumstance which will cause even the measure we are now discussing to fall far below our expectations with respect to it.

I would ask the committee to consider the advisability of suggesting that the government should in some sense be restricted in the purchase of land. My particular suggestion would be that it should be restricted in respect to the purchase of any land which had heretofore been the subject of foreclosure. That may seem to be an extraordinary suggestion, but all things being equal I claim that in the great majority of cases as to lands with respect to which foreclosures have taken place there would be no guarantee of security for those who might take them at the close of this war. I suggest that the committee give serious consideration to placing in the measure a section which would say to the government, "In all purchases of land you must guard against purchasing those which in bygone days have experienced foreclosure." As I said earlier, there is a possibility that there may be wholesale foreclosures as soon as the act becomes effective. In such circumstances the government should be reluctant to make such purchases. There should be something in the act to prevent the repurchasing of that kind of land. If it could not produce to serve the interests of one man, I doubt whether it could produce to serve those of another. If there is one thing above all others we want after this war is over, surely it must be that full measure of happiness and sweet content which every last man in the fighting forces deserves upon his return home.

Motion agreed to, bill read the second time and referred to the special committee to consider settlement on the land of veterans of the present war.

WAR APPROPRIATION BILL

PROVISION FOR GRANTING TO HIS MAJESTY AID FOR NATIONAL DEFENCE AND SECURITY

The house resumed from Wednesday, April 22, consideration in committee of a resolution to provide sums not exceeding $2,000,000,000 for the year ending March 31, 1943, for granting to his majesty aid for national defence and security—Mr. Ilsley—Mr. Vien in the chair.

Hon. J. L. ILSLEY (Minister of Finance): Mr. Chairman, this afternoon I should like to make a statement on the question of subsidies that are being paid in the application of the price ceiling policy. I am sorry that the statement is long but the subject is an important one; there has been much discussion in the press about it, and I feel that I should take the earliest opportunity in committee of the whole or in the house to make a statement to parliament. I do so in order to make clear the policies and principles being followed in the payment of such subsidies and the reasons why they are necessary.

There have been a number of questions asked about these subsidies and some concern expressed about them, both in this house and outside. There have also been some implied criticisms of what is being done, although no very specific or direct criticisms have yet come to my attention. I would like to tell the house as clearly as possible what is being done and why, so that there will be no misunderstanding and so that any comments and criticisms can be both specific and constructive. It is, I believe, the duty of members to understand this policy, which involves substantial expenditures for an essential purpose.

The payment of subsidies is an integral part of the general policy of price and income stabilization. Everyone is well aware that the government last fall undertook a vigorous programme to control prices and to secure the necessary stabilization of wages and salaries to make that effective price control possible. This control of prices was absolutely essential in order to defend this country against inflation and all the difficulties and dangers that it brings, all the chaos that it creates. It was necessary in order to enable us to devote our full effort to the war, unhindered by those difficulties to which inflation gives rise. We were faced with the prospect of a substantial reduction in the supplies available for consumers at the same time that the incomes of consumers were rising much more rapidly than fiscal and financial measures could offset. Prices were bound to go up, and go up rapidly, unless a limit was placed on them. The general method that was used in placing that limit on them by means of an overall ceiling is familiar to the house and was explained initially by the Prime Minister in a broadcast and subsequently in detail to the house by myself. The reasons why that rather drastic method was chosen have been fully explained, and I believe they have commended themselves to the Canadian people as well as to parliament. It has been understood that in order to control the price level, we have had to control all prices and to secure a stability of wages and salaries by means of various regulations.

In carrying out this policy, the wartime prices and trade board, with the approval of the government, has been very firm in refusing to permit any increases in prices above the ceiling. In a very few cases special circumstances have made it administratively impossible, or nearly impossible, to establish or maintain the ceiling; for example, in the case of fresh fruits and vegetables, and

imported books. But these have been true exceptions and not any relaxation of the general rule. In addition, of course, the board recognizes and permits a normal seasonal variation in certain prices.

After thorough consideration of all the difficulties and all the conditions involved, and after continual re-examination of our experience up to date, the wartime prices and trade board has remained convinced, and the government has remained convinced, that we must really hold prices firmly if we are to hold them at all. We cannot let prices move up first in this sector, and then in that, in response to special conditions or pressures. We must make the ceiling stick. We are not doing this merely as a matter of principle or as a means of rejecting arguments for adjustments; it is being done for good practical reasons. Each increase in prices that we would permit by means of a flexible ceiling would be bound to lead directly to other movements. Sometimes they would lead directly to increases in the prices of goods made from other goods or into which the prices of other goods enter as a cost. In other cases, increases in prices would have their effect on many other prices through bringing about higher wages and consequently higher costs in many other industries. This sort of process would gather momentum like a snowball rolling down hill. It is, we believe, on the basis of all the information we can find, far more practicable and equitable to make whatever adjustments are necessary to prevent any prices from rising than to permit some of them to rise and then to make the necessary adjustments in others. Secondly, it would be manifestly unfair to permit some industries or some trades to increase their prices and not permit others to do so when they had equally valid reasons. Consequently, if we permitted any increases, we would be forced to consider other cases of the same kind throughout the whole economy. We could not, therefore, deal with a few of the most difficult cases without creating other cases at the same time. Thirdly, we wish to carry through a simple, straightforward policy and method that consumers can understand as well as traders. We want the women of this country, who do its shopping, to know what we are doing and to be able to see to it that the regulations are being observed. If we were always tinkering with prices, letting them go up a little here and a little there, the consumer would not be able to understand what we were doing, or to detect any infraction of the price regulations without great difficulty and study.

Finally, of course, we realize that any increase in prices, arising from the shortage of supplies of a particular commodity or service, would prevent some people from obtaining it because they could not afford it, or would force them to do without other things. It would be part of the process of inflation that we are trying to prevent. It would amount to permitting the supplies to go to the highest bidders, rather than to those who most require them. This we wished to avoid, and we do not wish to compromise with the evil that we are attempting to prevent.

From the beginning of our price stabilization policy it has been foreseen and understood that some unusual methods, such as subsidies, or their equivalent, would be necessary to meet a number of the special problems that would arise in carrying out the price ceiling policy. I mentioned this fact in speaking in this house in November on the price control policy, particularly in relation to imports. The British government has been paying subsidies for some time in order to stabilize the cost of living in Britain—actually 125,000,000 pounds last year. We realized that we would probably not be able to escape the necessity of paying subsidies ourselves if we were to succeed in holding prices steady despite rising costs, particularly of imports.

The necessity for subsidies or their equivalent arises from the fact that the costs of providing goods or services to the Canadian consumer cannot be completely controlled or from the fact that in some cases these costs were actually higher at the time the ceiling was imposed than the level of costs that was then being reflected in the prices charged. We can control and hold down most of the costs which enter into prices of Canadian goods and services, but we cannot control them all. In so far as these costs rise beyond the amount which the industry can absorb with fixed prices, we must either do without those goods, or raise the ceiling on their prices, or else pay subsidies or take some equivalent action to meet the rising costs without increasing prices. We have been firmly resolved not to permit the ceiling on retail prices to be increased in order to meet these increased costs. We are prepared to permit some non-essential supplies to disappear from the Canadian market rather than permit either their prices to be increased above the ceiling or to subsidize what are really non-essentials. However, there are a number of essential commodities the costs of which have risen beyond the amount which the industry can

absorb at fixed prices, and the supplies of which must be maintained in the Canadian market as far as possible, and in these cases we have undertaken to pay a subsidy or else to make bulk purchases of them for government account and resell them to Canadian dealers or manufacturers at prices that will enable them to be sold to the public at the ceiling price.

By far the most important cases where we cannot control costs and where these have risen substantially since the ceiling period are found in the field of imports. This country always has been dependent on a very large variety of imported goods, and particularly of imported fuel, materials and semi-finished goods to be manufactured in Canada. We must continue to import a great variety of commodities in order to maintain essential civilian supplies, as well as for war purposes. Obviously we cannot control the costs of these imports up to the stage where they reach Canada, and these costs have risen in very many cases. In part the increased costs have been due to higher prices and higher costs of production in the United States and in the United Kingdom, where we obtain these goods. In both those countries costs have been going up during the last year, and in the United States prices have been rising rapidly since the time our ceiling was imposed. Furthermore, we have had to pay shipping and insurance costs, which are increasing daily, for all those commodities which reach this continent from overseas, and in some cases we have had to meet the cost of bringing them by more roundabout routes or more expensive forms of transport than would normally be employed. For example, in the importation of some goods from South America, I understand that the normal method was that they would travel approximately five thousand miles by water and five hundred miles by land, and that now, frequently, those same goods travel three thousand miles by water and two thousand miles by rail.

I would like to call the attention of the house to the fact that since the base period used for price control purposes the war has spread over all the oceans of the world, and has caused enormous changes in shipping and in sources of supply. The Canadian consumer has been protected by the price ceiling against any effects of this spread of the war on his cost of living. Without the price ceiling we should all have suffered higher costs of living because of the fall of Singapore and the German submarine offensive off the Atlantic coast. As it is, our prices are not reflecting these very serious developments, but somewhere the cost must be borne, and in part at least it is being borne in the subsidies we are having to pay on imports in order to make supplies available to Canadians at ceiling prices. The disasters in the far east and the greatly increased scarcity of shipping have also shut off a number of our usual sources of supply and made us dependent upon more expensive sources. Consequently we have had to pay higher prices to obtain things from near at hand or from secondary sources of supply than the prices we were paying at the time the price ceiling was established, when we could buy in much cheaper markets.

As a consequence of all these factors, we have had to undertake to pay subsidies on imports, or in a few cases, to buy imports by means of government agencies and resell them to Canadian producers or dealers. This import policy was announced at the time the price ceiling went into effect. I shall give some details of this policy in a few moments but I wish to say something first about subsidies on commodities produced at home.

Here, the principal increases in costs which have given rise to the necessity for subsidies are those which originate in the difference in time at which things are produced and at which they are sold. The goods that were being sold during the base period from September 15 to October 11 were produced during an earlier period. Sometimes it was much earlier; sometimes it was only a few weeks previously. During the period between the time the goods were produced and when they were sold, costs had in many cases already risen, but retailers and other dealers had not increased their prices to reflect the increased costs of producers and manufacturers. In other words, they were not taking an abnormal profit on their inventory. However, when the dealers and retailers had sold the goods which they had bought at the lower prices before the base period, they had to replace them with goods purchased at higher prices, and yet they could not sell these goods at more than the ceiling price, which was the price they had been selling at during the base period. This naturally reduced the margin between their buying and selling prices, which is the source of their revenue from which they meet their expenses and derive their incomes. It was this rise of costs in relation to selling prices which produced what has come to be called the "squeeze"—I am going to use some phrases now which have formed a limited new vocabulary—and which has caused many of the most difficult problems that the wartime prices and trade board has had to face.

Mr. HARRIS (Danforth): Squeezes and squeaks!

Mr. ILSLEY: Some squeaks, yes. The board has managed to arrange that manufacturers and dealers would share this "squeeze," so that it would not all be thrown upon the unfortunate retailers or other dealers. This is what has been called "rolling back the squeeze." In some cases, however, the producers and dealers together could not absorb all the increase in costs that had occurred since the time that the goods had been produced which were being sold in the base period. In such cases where supplies are assumed sufficiently important, the government has undertaken to absorb a portion of the "squeeze" by means of a subsidy, pending the working out of methods to reduce costs by every possible means.

In a few cases an increased price to producers has been necessary in order to obtain the volume of supplies required of some real essentials, such as milk, for example, where circumstances have been such that an increase in the supply, or even the maintenance of supplies, was difficult without some special action. In some of these cases—almost all of them agricultural products—the government has undertaken to meet this increase in costs, or at least a portion of it, until a better permanent arrangement to guarantee a satisfactory volume of supplies could be worked out.

Before going on to describe the various subsidies now being paid, I will describe briefly the methods by which the subsidies are decided upon and paid. The general policy with regard to the payment of subsidies has been determined by the government on the advice of the board in the light of the reasons which I have just given you. The decisions of principle needed to apply this policy are made by the board, subject to my approval—for example, decisions as to whether or not a particular commodity should be subsidized and by what general method, and also decisions as to whether the agents of the board should make bulk purchases for the government's account. When these decisions of principle have been reached, the details of each particular case are worked out by the particular administrators of the board concerned with these commodities or trades, in conjunction with the Commodity Prices Stabilization Corporation, the government-owned company which serves as the agent of the board for the payment of these subsidies. The corporation and the administrators are able to take into account the details in each particular case and to devise practical means of giving effect to the decisions of the board and myself. When these details have been worked out, the corporation makes the actual payment of the subsidies and verifies the claims made for them by those importers or others who may be entitled to subsidies. The corporation and its importing agents also make bulk purchases of certain commodities when directed to do so by the board. For example, they have recently arranged the purchase of our entire import requirements of raisins and other dried vine fruits from Australia. There are very substantial advantages, particularly under present emergency circumstances, in making such bulk purchases for government account, and for several reasons I think such methods are preferable to simple subsidies, although it should be remembered that they may involve the government in some trading loss in order to permit the commodities so purchased to be sold to Canadian consumers at ceiling prices.

In describing the principles of the subsidies now being paid, I do not wish to go into a great deal of detail that will simply duplicate information which has already been published by the board, and which members may obtain readily from the board in the form in which it was published. However, perhaps a brief review of the general principles on which import and other subsidies are being paid will give the house an opportunity to consider the policy as a whole.

The main subsidies being paid are those on imported goods, for the reasons which I have indicated above. These are being paid in accordance with the principles laid down in the statement on import policy, dated January 1, 1942, which was issued as an extra of the *Canada Gazette* of date December 29 last. I shall not attempt to read into the record that long statement, but would refer members to it if they are interested in the details. In it the objective of the board was stated to be:

> to ensure a continued flow of necessary imported goods for sale in Canada under the retail price ceiling. If import prices of such goods rise to a degree which cannot be absorbed by trade and industry, subsidies will be paid through the Commodity Prices Stabilization Corporation. Duties and taxes on imported goods may, however, be reduced from time to time in such a way as to reduce the need for subsidies. The board reserves the right to exclude any goods from the import subsidy and to adjust the amount of any subsidy from time to time. When any exclusion is made, consideration will be given to forward commitments of reasonable character and amount entered into on or after December 1, 1941.

I have quoted that from the statement of the board published in the *Canada Gazette*. It was stated that subsidies would be paid only on imports of consumers' goods and materials to produce consumers' goods. They are not paid on capital equipment, nor on goods for re-export, nor on goods imported

for war production, which, of course, the government would purchase ultimately. Nor are they paid on goods imported directly by consumers themselves, or on goods imported prior to December 1, 1941, or where the increase in cost is trifling, or on goods the production of which is prohibited in Canada, or, finally, on any goods to which the price ceiling does not apply. Most important of all perhaps, from our point of view, a long list of various classes of goods regarded as non-essential was given on which subsidies would not be paid. Of course, in addition to the restrictions on goods eligible for subsidy, there were also the restrictions under the War Exchange Conservation Act, intended to prevent the use of foreign exchange for the purchase of a great many non-essential goods. Consequently it should be noted that there is a double sieve, so to speak, to prevent the subsidizing of non-essential imports.

It will be noted that in the case of these imports we specified not those goods on which subsidies will be paid, but rather those classes of goods on which subsidies will not be paid. The reason for this is a very practical one. It is impossible to make a satisfactory list of the many thousands of materials and parts and other items that it may be necessary to import into Canada even for ultimate consumers' use. It is more practical to rule out all those classes of goods which we can identify as being non-essential. We have attempted to do that, first under the War Exchange Conservation Act, and again now in excluding them from subsidy. This selection of non-essential goods has been based upon a careful study of our import trade and our tariff items. Quite possibly it is not complete, and it is probable that as we go along we shall be increasingly stringent in classifying goods as non-essential and excluding them from subsidy.

However strictly we draw the line of essentiality, there are bound to be some borderline cases—some items which will appear to some of us as essential and which will appear to others as non-essential. Some types of food, for example, will seem to many of us unnecessary at least in view of what we can substitute for them from our own supplies, while other persons in this country will regard them as valuable articles of diet which cannot be satisfactorily replaced. To decide whether such items should be included or excluded involves questions of judgment which we must decide as best we can and in the light of a developing supply situation. In making any decision of this kind we must take account not only of the character of the goods themselves and the possibility of substituting others for them, but also the possibility that by excluding them we may divert demand to other items, particularly domestic items, and thereby create serious shortages. We should remember that in those cases where prices have risen substantially when we classify an import item as ineligible for subsidy we are, in effect, placing an embargo upon its entry, and we must be prepared to deny ourselves entirely those supplies. Perhaps I should add that in the case of minor items, it may be possible that traders will continue to import them, even at a loss, simply to maintain certain connections and to continue to supply the markets which have been supplied in the past, but we cannot expect this to happen in any important cases.

In a number of cases it has been possible to avoid or substantially to reduce import subsidies by means of simpler action taken with regard to customs duties and other charges. For example, we have eliminated dumping duties at this time, since there is almost no danger of unfavourable effects of such action. It has also been provided that on the recommendation of the board in specific cases, invoice values may be accepted for customs purposes instead of home market values, as are normally required. In other specific cases duties have been reduced or eliminated in order to enable goods to be imported at a cost that will make it possible to sell them at the ceiling price.

On other than imported goods, only a small number of subsidies are being paid, and most of them are not yet of significant proportions. Much the most important of these domestic subsidies up to date has been that on milk. This is a temporary subsidy being paid at the rate of 40 cents per 100 pounds for milk used in the manufacture of concentrated milk products, and of 30 cents per 100 pounds on milk sold for fluid milk in all areas where no increase in milk prices took place between August 1, 1941, and the date of the price ceiling.

Mr. DOUGLAS (Weyburn): To whom is the subsidy paid?

Mr. ILSLEY: To the dealer.

Mr. COLDWELL: Would that apply in the case of dried and processed milk?

Mr. ILSLEY: I am not sure about that. The purpose of this subsidy was to maintain the supply of milk for use in concentrated milk products and as fluid milk during the winter season when costs are normally higher and when this year producers faced a shortage of feed, and there was the danger that milk supplies would be diverted too largely to

cheese production, as cheese prices were relatively high.

Mr. HOWDEN: Whom do you mean by dealer?

Mr. ILSLEY: No—I thought the question related to fluid milk, but it did not; hon. gentlemen were talking about concentrated milk. I am not sure to whom the subsidy is paid in that case. I will get the information. The subsidy is paid to the distributor or manufacturer under an arrangement by which it would be passed on to the producer. I think that is correct; it is the distributor of the fluid milk and the manufacturer of the concentrated milk.

Mr. DOUGLAS (Weyburn): How does it get back to the producer?

Mr. ILSLEY: Well, it does. I have said that this subsidy is a temporary one; already it has been announced that it will be discontinued at the end of this month and a better arrangement of prices for milk products substituted for it, which will enable us to meet our domestic requirements for milk and its products and also the abnormal demand for exports of cheese and concentrated milk products to the United Kingdom. The details of this new scheme were made public this morning.

Another domestic subsidy worth noting is that on the 1941 pack of domestic canned fruits and vegetables. The need for this subsidy arose from the fact that many retailers established their prices in the base period on the cost of these canned goods in the spring and summer of 1941, while the canners, on the other hand, had increased their prices over these levels before the end of the base period, thereby establishing their selling prices f.o.b. cannery quite substantially above those which the retailers had paid. Consequently the retailers were unable to replace canned goods for sale at the retail ceiling prices. In order to enable them to sell at the retail ceiling, it was decided to reduce the cannery prices of these goods, and some of the wholesale prices corresponding to them, to the levels of the spring and early summer of 1941. The costs of these goods have already been incurred and cannot therefore be reduced. It has been necessary, as a consequence, to provide a subsidy to enable these goods to be sold at the lower prices necessary if they are to be moved through the retail channels. Canners are being compensated by 80 per cent of the amount of the reduction in the selling prices that they have absorbed on their inventories, while the wholesalers whose prices are reduced are being compensated to the extent that the f.o.b. cannery price is reduced, but wholesalers are being required to bear the extra carrying charges and sales tax incurred on the higher prices and for which they cannot recoup themselves in their new wholesale prices. Members interested in the details of these operations can find them in a press release and a statement issued by the board on March 24.

Some subsidies are also being paid to permit the sale of leather footwear and of leather clothing at the retail ceiling prices. In the case of footwear, the problem arose from the fact that the goods sold during the base period were made back in the spring of 1941 and the cost of manufacturing such footwear increased by some 15 per cent between that time and the base period. Somehow this increase in costs had to be borne without any increase in the retail price, if the principle of maintaining the ceiling was to be observed, as the board felt it must be. After a thorough investigation of all the circumstances, it was decided that part of the increased costs, amounting to about 8 per cent, would be shared equally by the manufacturer, on the one hand, and the wholesalers and retailers, on the other, and that the government, through the Commodity Prices Stabilization Corporation, would pay a subsidy to manufacturers equal to 7 per cent of the selling price of their shoes to enable them to sell at reduced prices. This subsidy was only to be paid pending the working out of measures to eliminate unnecessary costs. Advisory committees have been established by the industry to devise methods of simplication and cost reduction, mainly I think by the reduction of the numbers of styles of shoes. Extensive plans are being made to that end. It is the intention of the board to see that as soon as possible costs are reduced to the point where the subsidy can be discontinued.

The case of leather for clothing is more complicated in detail, and I would refer hon. members to a statement of the board, dated February 13, and various orders issued at that time. Again the problem arose from the substantial increase in the cost of production that took place between the time when the goods sold in the base period were manufactured and the time that they were sold, establishing the ceiling for the seller. It was arranged that tanners would reduce their prices of leather below those they received in the base period, thereby absorbing part of the squeeze, some of which, however, was to be borne by the wholesalers and retailers. A subsidy was provided for the tanners to enable them to sell at these specially reduced prices, the amount of the subsidy being related to the reduction in the particular prices concerned. The

various branches of the industry involved are being asked to cut their costs as rapidly as they can, in order to make possible the reduction or elimination of the subsidy.

Announcement has recently been made of subsidies to be made available for about 40 grocery items specified in order 116 of the board, dated March 23. The need for this subsidy arises out of the same sort of time lags that have been noted above in connection with leather items and the 1941 canned food pack. The manufacturers' prices for these goods have increased in the months preceding the base period, and many retailers were selling at prices below those appropriate to the higher manufacturers' and wholesalers' prices prevailing in the base period, although some other retailers had increased their prices to correspond with this rise in wholesale prices. The board and the administrators struggled with the problem created by this situation for months, endeavouring to find the most satisfactory solution to it, meantime imposing a very difficult burden upon many retailers. Finally the decision was reached that the only practicable method to solve the problem was to require the manufacturers to reduce their prices back to June 1941 levels, at which all or nearly all retailers can replace their goods at prices which enable them to sell at their ceiling prices. Those retailers whose base period prices were based upon higher wholesale or manufacturers' prices than the new ones are required to reduce their retail prices by an amount corresponding to the reduction in manufacturers' prices. To enable manufacturers to sell at their lower June prices rather than at the later prices of the base period, despite the increase in costs which occurred in the interval, the Commodity Prices Stabilization Corporation is preparing to pay them a subsidy based upon and not exceeding the reduction in prices below those prevailing in the base period.

In the case of these grocery items, where the number of producers and dealers will likely prove to be very large and where there will be a difficult problem in assessing how far the industries and trades concerned are in fact able to bear the increases in cost without help by way of subsidy, a special condition has been attached to the payment of subsidies to provide a sort of automatic check that will ensure that subsidies are not paid to businesses which do not in fact require them in order to sell at the designated prices. This provision is to the effect that the subsidy shall not increase the net profits of the business after taxes beyond the level of net profits after taxes in the standard period as established for excess profits tax purposes. In order to carry out this provision, the corporation will only pay such subsidies in the form of accountable advances and final settlement of the subsidy claim will be delayed until the claimant is able to furnish the necessary information respecting his profits in the fiscal period concerned.

Mr. HARRIS (Danforth): Would the minister permit a question there? Would the standard profit for the base period apply also to provision (B) in the Excess Profits Tax Act which sets a base? There are two bases, one the standard period of four years and the other agreed-on as standard profits.

Mr. ILSLEY: As I understand it, it is the standard profits based on the four-year average. I do not remember what (B) is.

Mr. HARRIS (Danforth): Section (B) provides for a standard profit to be agreed upon.

Mr. ILSLEY: Argeed upon by whom?

Mr. HARRIS (Danforth): By the manufacturer and the department.

Mr. ILSLEY: I am not familiar with section (B). The intention here is to take the standard profits under the Excess Profits Tax Act, whatever they are.

Mr. HARRIS (Danforth): The minister mentioned the four-year period, modifying the standard profits obtained by averaging the four-year period.

Mr. ILSLEY: I shall have to get information on that. It is a point I am not able to clear up at the moment.

This concludes what I have to say at this time on subsidies or types of subsidies, but there are a few important points about them which I would like to emphasize.

In the first place it should be realized clearly that the subsidies are being paid in the interests of the consumer. They are paid when there is no other way of ensuring adequate supplies of a particular product for the consumer at prices permitted by the price ceiling. In principle, these subsidies are paid to the consumer to keep down the cost of living. In practice, because consumers are so numerous, they are paid to producers or dealers on condition that they maintain supplies and carry out the policy of the price ceiling by supplying goods to others at such prices as will permit them in turn to operate within the limits of the price ceiling.

Any statements therefore that the XY company or the AB company is receiving such and such subsidies are misleading. A subsidy may be of no advantage to the firm receiving it except that it will permit others to continue to buy from it. By law consumers are prevented from buying at higher than ceiling prices. It is an obligation of the government

therefore to see that goods are available at the ceiling prices.

When it has been determined that a subsidy is necessary, the point in the trade at which it is paid is a matter of administrative convenience. Since there are many more consumers than dealers and many more dealers than producers, subsidies (aside from import subsidies) are more likely to be paid to producers. What are in effect subsidies to consumers are paid at a point in the trade where the basis of the subsidies can be most readily and quickly verified.

The second point arises out of the first, and it is that the subsidy paid to any particular industry or any particular firm does not constitute a benefit given to it, for the subsidy is conditioned upon certain action which increases the costs or reduces the receipts of the industry or firm. It is a fundamental principle that the industry or trade receiving a subsidy should bear a part of the increased costs in respect of which the subsidy is paid. In other words, the subsidy, in conjunction with the special conditions attached to it, should leave the industry in a worse, not a better, profit position than before the price ceiling was imposed. The Commodity Prices Stabilization Corporation makes every practical effort to check the facts supporting claims for subsidy and the good faith of the applicants, so as to ensure that all payments are within the principles which apply to the subsidy in question. Under the heavy pressure of a programme of such magnitude as universal price control, however, it is necessary to take short-cut methods of investigation, and to apply sound business judgment rather than the exhaustive statistical analysis which a more leisurely examination would make possible. It is essential that claims be dealt with promptly so as to ensure an orderly and continued supply of goods.

The third point I would emphasize is that the board and the government are laying great stress upon the reduction of costs by means of standardization, simplification and the elimination of all unnecessary frills and services. We hope by means of such reduction in costs to eliminate or at least drastically reduce the need for domestic subsidies. I think all business men are anxious to co-operate to this end, because they see the need for it and most of them, we find, are reluctant to accept subsidies from the government, even under present conditions, and they are trying to cut costs so that they will not need to depend on help from us. But the importance of this simplification programme extends far beyond the elimination of subsidies. The reductions in costs that can be achieved by eliminating frills, unnecessary services, unnecessary varieties and patterns, etc., are very real national gains at a time such as this. We cannot afford to waste either materials or manpower on frills or fancy varieties. Consequently I am, on behalf of the government, urging the board to press ahead with its cost reduction programme, and I am glad to say that the board itself is equally convinced of the very real value of this part of its work. I certainly hope that all businesses in this country—whether manufacturers or distributors—will cooperate to the full extent of their ability in this simplification programme.

I understand that in some conferences which have been held the question has been raised as to whether this is merely a board programme or whether it is a government programme. I want to make it very clear here to-day that this programme of standardization and simplification and economies in production has the sanction of the government, is in accord with the wishes of the government, and is regarded as extremely important by the government.

In combination with this programme of simplified practice being worked out in co-operation with industry, the system of subsidies constitutes a fully mobile, not static, defence against the pressure of costs on prices. We cannot hold up supplies while we are searching out the possibilities of cost reduction. Subsidies ensure current supplies. Simplification and standardization will reduce costs and permit subsidies to be discontinued. I do not suggest that all domestic subsidies can be thus eliminated, but many of them can and will. I referred earlier to subsidies made available on some 40 grocery items on March 23. Arrangements are being worked out which will eliminate a number of those items from subsidy. The picture which some people have drawn of a system of subsidies to vested interest, a system into which the government would sink deeper and deeper and never be able to withdraw, has no relation to the facts.

I should like to be able to give the house a reasonably accurate estimate of the cost of these subsidies this year and in future, but that is not possible. Their amount will depend on a large variety of circumstances which cannot be foreseen, particularly on the costs of import and of shipping, and on the speed with which savings can be effected by the simplification programme I have just referred to. Subsidies paid on a product of universal consumption will necessarily appear large in total. Of course the saving they make possible to consumers will be correspondingly large. After nearly 5 months of operation of the price ceiling, the subsidies actually paid make quite a small total, about $2,125,000 up to April 21. They will increase,

of course, as the full volume of purchases is reflected in them and as more claims are submitted for imports that have been made. There is no evidence or reason to believe that they can ever reach the fantastic totals of several hundred million dollars suggested in some quarters. I have included, however, in making up the estimates I gave the house when I introduced this war appropriation resolution, an arbitrary figure of $50,000,000 for this purpose. Some details of the amounts expended in subsidies on various items are given in a table which I have here and which I will place on *Hansard* at this point, with the consent of the house.

Commodity Prices Stabilization Corporation Ltd.
Subsidies Paid Up To and Including
April 21, 1942

Domestic		$1,974,762 80
Milk	$1,387,630 34	
Footwear	584,355 01	
Leather garments	2,777 45	
Imports		154,219 01
Spices, ground	174 52	
Lima beans	459 65	
Rice	5,468 00	
Tapicoa	284 25	
Cocoa, beans, etc.	3,922 35	
Fruits, dried and evaporated	31,245 33	
Grapefruit juice	70,297 33	
Anaesthetics	816 00	
Antimony oxide	2,645 76	
Peppermint oil	360 00	
Inedible pigskin grease	1,217 13	
Tableware	311 77	
Brass and copper nails, etc.	125 45	
Cutlery	660 14	
Tools	160 28	
Hollow-ware	132 73	
Iron and steel (manufactured)	513 33	
Cotton linters	1,910 23	
Cotton, rovings, yarns, warps	5,127 76	
Cotton woven fabrics	13,330 23	
Cotton handkerchiefs	246 92	
Woven fabrics of cotton or hemp	872 04	
Vegetable fibre rovings, yarns, warps	1,700 02	
Wool, camel, goat, etc.	269 55	
Carpets, rugs, etc.	182 59	
Raw hides and skins	4,825 88	
Broom corn	6,089 07	
Sundry items of less than $100	870 70	
		$2,128,981 81

Just here I want to say to anyone to whom the sum of $50,000,000 looks large—

Mr. MacINNIS: It was large at one time.

Mr. ILSLEY: Yes. In the United States I understand it is thought that unless the price situation is taken in hand, costs may rise at the rate of two or three per cent a month. If costs were allowed to go; if we were to remove our control and let the price level rise in this country, and it rose not two or three per cent a month but twenty per cent in a year, and it that full twenty per cent were reflected in increases in government expenditures alone, the increased government expenditure would be $700,000,000, because in the next fiscal year our expenditures will be about $3.500,000,000. But the increased cost to the government is not the serious feature of the situation at all; it is not a one-hundredth part of the trouble the country would be in. It is not the taxpayer, as such, that is the victim of inflation, even if he does have to pay $700,000,000 more in the course of a year. It is the workman, the consumer, and practically everybody in the country. And more serious than that, in a period of rising prices such as that everyone begins to try to rectify his own personal situation. He begins to wonder whether others are not getting a little better treatment in the situation than he is. The economic situation is changing very rapidly. The person in receipt of a pension says, "I cannot stand this; I have to have an increase in my pension." The wage earner says, "I must have an increase in my wages." Strikes and disputes between labour and capital take place. There are differences of opinion as to the quantum of increase suited to the rising price level, and so on. The result is turmoil and disorder throughout practically all centres of your economy.

As I said last fall, I cannot imagine anything internally which would have a more destructive or disruptive effect on the war effort than a rapidly rising price level in Canada. So that if the cost of these subsidies can be kept within reasonable dimensions—and I am sure it can—it is an insignificant cost to pay, as compared with the evils which we will avoid by using it.

Mr. COLDWELL: In other words it is insurance against inflated prices?

Mr. ILSLEY: Yes, it is a very reasonable insurance premium.

Attempts to estimate the ultimate annual total of subsidies are likely to be unprofitable because, as I have said, the deciding circumstances cannot be forecast. There are certain considerations worth bearing in mind, however. The fact that a subsidy is paid initially is no evidence that it will be continued indefinitely. Many interim subsidies have been established so that supplies can be obtained quickly and freely. Investigations are now proceeding to determine more precisely the extent to which economies

and standardization can be effected, and what amount of subsidy, if any, will continue to be required, and whether alternative supplies are available without subsidy. The basis of subsidies is continually under review. Experience will show which are essential and which are not.

If certain essential supplies are to be obtained, some increases in cost must be paid because those costs cannot be avoided. The question to be decided is whether they will be paid directly by the consumer in the form of higher prices, or by the consumers as citizens and taxpayers through the government treasury. I am satisfied that the cost to the country at large is much less and is much more equitably distributed by meeting these costs at this time by means of these subsidies paid on a conservative basis, rather than through permitting increases in prices above the legal ceiling and leading to great difficulties in the maintenance of the established level of prices.

There have been a number of questions raised concerning the amounts of subsidies paid to individual firms or businesses and requests that such information be furnished to parliament. After very careful study of this subject, I have come to the conclusion that it is definitely not in the public interest currently to give the names of persons to whom subsidies are being paid, or the amount paid to each. To do so would reveal to competitors and others intimate details of the nature and volume of such person's business. The principle of refusing such detailed information has always been followed in connection with both the payment and drawback or refund of duties and excise and other commodity taxes, income taxes and similar items. As I have already emphasized, subsidy payments by the commodity prices stabilization corporation are not really subsidies to any manufacturer, importer or dealer, but are in reality subsidies for the benefit of Canadian consumers, and are paid solely for the purpose of making goods available to consumers at prices prescribed by the board. Consequently the important facts are the amounts of subsidies necessary to stabilize prices of each class or kind of commodities or particular commodities, and not the channels through which such subsidy payments may happen to be made.

Moreover, the conditions attached to the payment of specific subsidies may reflect many different forms of adjustments, and payments to individual businesses could be most misleading without full reports in regard to all the arrangements made with the interested parties. For example, in some cases a subsidy nominally paid to manufacturers or distributors may carry a condition requiring the effect of it to be carried through a line of dealers until eventually it appears in the cost at the retail store. Another example is the kind of subsidy arranged for milk, in which case it is paid as a matter of convenience to the milk distributors, on the specific condition that it be used to increase the price paid for raw milk delivered by the dairy farmer.

I am confident that when members reflect upon what I have said and the various examples I have given them of these subsidies, detailed information on which is available in the published statements and orders of the board, they will not continue to request information on subsidies currently being paid to individual businesses, which would only be apt to lead to misunderstanding and unfounded charges.

At the same time my feeling is that at the appropriate time information as to the individual recipients of subsidy payments should be given to the members of the house. I have carefully considered methods by which this can properly be done.

First, I was of opinion that I should offer to lay this information confidentially before the war expenditures committee. This course, however, has certain disadvantages. I am afraid that the information would be referred to in the house, not in breach of confidence, but in such a way as to cloak subsidy payments with an air of mystery. This is undesirable and would lead to misconstruction by the public.

The second method that I have considered is to see that the information is presented either in the form of a special report by the board or in the report of the auditor general or the public accounts with the other accounts of the fiscal year. The information would not then be presented piecemeal and with inadequate explanation but would be presented in such a way that the qualifications and conditions necessary to the presentation of a fair and complete picture would not be absent.

It must be remembered that we are in the early stages of a most difficult programme and it is possible that the implications of any method of presenting this information are not fully realized. My present view is that after the end of each fiscal year there should be a complete report of some kind along the lines I have indicated, and that course will be adopted unless, in the meantime, some compelling reason appears why it should not, in which case I will make a statement to the house before the end of the present session, a statement that the house will have full opportunity of debating.

I have given this matter full consideration, and, while I do not ask the committee at this time to accept this disposition of the matter, I wish they would consider it, because I think they will realize this is the best way to handle the situation.

Mr. LOCKHART: I realize that the problem is an extremely difficult one to handle. Do I understand that matters such as I have raised privately, with respect to the importations of certain fruit juices, for instance grape fruit juice, and so on, are being given serious consideration?

Mr. ILSLEY: Yes.

Mr. LOCKHART: So that the public will not have any misapprehension about it.

Mr. ILSLEY: Yes, that is correct. In the list of subsidies the hon. member will find the amount of subsidy paid on the importation of that particular commodity.

Mr. LOCKHART: And an honest effort is being made to reduce that type of subsidy.

Mr. ILSLEY: Yes; that particular subsidy has been receiving consideration, and is at the present time.

Before concluding, I would like to say a few words about some of the criticisms that have been made of our subsidy policy. Most of these criticisms have, I believe, been vague and general in nature and of a negative character, rather than constructive. I would urge those who wish to criticize the government's policies both in regard to subsidies and in regard to the price ceiling in general, to be as specific and precise as they can, and to consider carefully the various alternatives to the policies which they criticize or condemn. It is only when there is an alternative open that criticism is really useful, particularly at a time like this when we must act and act quickly.

There are two general types of criticism to be considered—criticism of principle and criticism of detail. In regard to principle, I believe I have set forth my views at sufficient length to make clear the answers to many of the points that have been raised. Many of the other criticisms of principle apply really to the whole price ceiling policy, and it would lead me too far afield to go into that at length to-day. However, there are a number of points in regard to subsidies which perhaps it would be well to take up at this time. The first is the charge that subsidies cost a great deal and that we cannot, or should not, afford them at this time. To this I would reply that the real issue is whether the goods in question should or should not be produced or imported under present circumstances. If these goods are required, someone must meet the element of cost being covered by subsidies until the time when those costs can be reduced, if they can be reduced. We feel that the best and fairest method of meeting these additional costs is by means of subsidies paid at the cost of the public treasury rather than through allowing prices to go up, bearing in mind both the direct and the indirect effects of permitting prices to increase above the ceiling level. Certainly it is desirable, as I have emphasized, to eliminate costs rather than to meet them by subsidy or otherwise, at this time, and it is that which we are attempting to do to the limit of our ability, but until we can achieve those reductions, the subsidies are a useful and sensible means of ensuring supplies in the interim without disrupting our price policy. The cost of them is insignificant in relation to the very real benefits the country is deriving from the successful methods of preventing inflation at this time.

The second point I would mention is the suggestion that because we cannot estimate these costs we should not embark on this policy. I do not think a very extended reply is necessary to this point. Obviously at a time like this we must undertake action and measures the cost of which cannot be precisely forecast. If as time goes on we find the cost does become greater than is reasonable, greater than the value of the benefits which we obtain from our price control policy, then we will have to amend our policies, but as yet I see no indication that that contingency will arise.

Thirdly, there is the suggestion that the subsidies benefit or enrich certain producers or dealers. I think that what I have said above demonstrates clearly that these subsidies benefit consumers, and not the producer or dealer except to the extent that they enable the production or importation of necessary goods to be maintained. Subsidies are paid only when they are coupled with measures of control which throw a burden upon those who receive them and the net effect of price control and subsidies inevitably is to worsen and not improve the position of the recipients.

There is a fourth criticism that is suggested in some quarters: that somehow or other these subsidies are inflationary. The argument advanced in support of this point is apparently a subtle or even obscure one, but I think it desirable that we should take note of it. In my opinion, subsidies cannot properly be construed as inflationary. It may be suggested that the government by holding prices down with the aid of subsidies is encouraging the public to buy, and that somehow that is inflationary, and that it would be less inflationary if prices were allowed to rise and thereby cut down the buying of the public. This is certainly using the term "inflation" in an unusual sense. If supplies are dangerously short, their sale should be restricted by other means at this stage, rather than simply by an increase in prices that their producers and sellers are

allowed to receive. To check sales by permitting prices to rise means in effect rationing supplies to the highest bidders, which means that those who have the long purses will get the most. It does not mean that there will be any fewer goods produced; it means that the people with the big incomes will get the goods. The government decided that that sort of thing should be prevented, and it had the support of the Canadian people in that decision. I believe that now more than ever it has their support. Moreover, if prices of goods were allowed to rise wherever the supply is short, that would put more funds in the hands of those who produce them and sell them, and would enable them to bid up the prices for labour and material to produce such goods, which would certainly be inflationary and might well interfere with our war programme. When we subsidize these items we are able to scrutinize and regulate the amount of production and to prevent this undesirable competition with the war programme and inflationary results. Perhaps those who suggest that the subsidies are inflationary have in mind that they somehow put more funds at the disposal of the producers, who will go on to spend them. This same effect, however, would be produced by a rise in prices, since the producers would obtain additional funds in that process just as they would through the payment of subsidies, and they would not be subject to the same control.

There have not been enough criticisms of detail for me to take them up at any length to-day. Such criticisms are appropriate subjects of discussion in this house, and I would certainly welcome any comments that members can make on the details as I have set them forth and as they are published by the board from time to time. One obvious line of detailed criticism will be as to whether or not various items being subsidized are essential; whether, for example, certain types of imports should be subsidized. That is a live issue at the moment. There are a number of items which we are importing from the United Kingdom and for which we pay in sterling. Under present circumstances it costs the nation nothing, or practically nothing, to obtain these goods as long as the British are able to send them to us, and a small subsidy paid to enable them to come in does serve a useful purpose. Other cases, however, will be less obvious, and undoubtedly members will wish to discuss them. It should be borne in mind that, where prices have gone up abroad or where higher shipping or other costs have increased the cost to us of imports by substantial amounts, to rule such imports ineligible for subsidy means placing an embargo upon their entry into Canada, and means requiring the public to do without them. We can certainly ask the public to do without many things these days and I think we can take a fairly stern attitude in this respect and secure the wholehearted approval of the Canadian people in doing so. We must also bear in mind at the same time the effects on our own supply condition of diverting demand from imports or from relatively less essential to more essential goods.

Just a word or two in conclusion. I know the committee realizes, as does the public, the magnitude and difficulties of the task that the government has assumed in launching and applying its price ceiling policy. There is general recognition that no more courageous policy and no more difficult administrative task have ever been undertaken in this or any other democratic country. The work of the wartime prices and trade board and of its chairman has been of an exceptionally high character. Mistakes have probably been made, but these have been minor. On the whole, the price ceiling policy and the work of the board have received the commendation and commanded the admiration not only of the Canadian people but of observers in other countries.

This policy is a test of the capacity of this democracy to organize and discipline itself in such a way as to wage total war on the economic front. I had many misgivings at the outset as to whether we could succeed. I now believe that we can and will. We can only do so, however, if this parliament approaches its task of criticism in the proper spirit. If any hon. member wishes to launch a frontal attack on the ceiling policy, it is needless to say that he has the right to do so. The issue can be squarely joined with such hon. member and the matter fought out on its merits. What I do ask is that if there are any hon. members who feel that way about the ceiling policy, they say so frankly and attack frontally.

If their criticisms are merely criticisms of detail, I ask that they make them with a due sense of responsibility as to the gravity of the issues involved. Suggestions as to methods in which the policy can be improved in execution are, of course, welcome. These suggestions should, however, be constructive rather than purely destructive. They should take into account not one factor alone in the situation but, as far as possible, all factors in the situation. They should go beyond mere sniping at the board or at the details of administration.

I would like to feel that all hon. members of the house, whether they criticise or praise, will do so in a responsible and patriotic attempt to assist the government in making a success of its efforts to attain an end admitted by all to be of the utmost importance for the welfare of the nation and success in the war.

Mr. HARRIS (Danforth): If it be in order, Mr. Chairman, I should like to make a few general observations at this stage.

The general statement made by the Minister of Finance (Mr. Ilsley) is appreciated not only by the house but, I am sure, by the country. But of what the minister said in the last five or ten minutes of his remarks the member for Danforth was not overly appreciative, because I am of opinion that very few members in this honourable chamber would desire to make indirect attacks which might undermine, although the minister did not use that word, the work of the board, rather than make a frontal attack. The minister did refer to indirect criticism which might tend to destroy the structure which he is at present building. With all respect to the minister I do not accept his last remarks, which had a sort of schoolteacher effect upon the mind of the member for Danforth at least.

The minister went to some length to explain that the government had adopted this price ceiling policy and now could not vary very much from it because, if they varied from the principles laid down—I presume when he said "principles" he had also in mind the basic period to which the price ceiling policy applied—not only those charged with the responsibility of producing products for the people of Canada but those who consume the goods, and particularly the housewives who in the final analysis do the greater part of the family purchasing, would be confused.

Just why the forty commodities mentioned in the grocery trade were taken out of the September-October bracket and put back to the June date is something which I hope will be enlarged on while this subject is under discussion. It certainly was confusing to most of those in the trade; and if a subsidy of the amount mentioned by the minister, namely $50,000,000, might obtain in the course of the twelve months, surely there was ample to take care of the period from June to September without confusing the entire section of the trade which had to do with that certain set of commodities. While the subsidy is available to those who are producing goods in the particular class even from June, 1941, the minister will agree with me that raw materials so far as cost of production is concerned, in comparison with other essential goods apart from those that are listed, went through a period of advanced costs from June to September. The raw material of the commodities was costing progressively more in June, July, August and September, and then the advance was halted in October. That is quite all right. But to take up that period from June to September not only will create a hardship, which to some degree will be offset by the subsidies to be paid, but will cause those engaged in the production of these commodities to appear to be asking something which is not in line with what obtained in September and October, and it is going to bear very heavily on the subsidy fund.

The subsidy is to be paid to those who have just cause for compensation in that the ceiling price which obtained in June was much lower than that which obtained in September and therefore they experience a considerable loss in bringing the price back to the June selling price. But it is going to be controlled or checked. I am quite in accord with some method of control or checking. When I interrupted the minister, I did not wish to interfere with the sequence of his remarks, but as they were being read I recognized that he could return to the sentence at the point where he left off and not lose the continuity of his remarks. Under wartime price order No. 116 the base period of four years would govern the maximum profits which could be made by anyone claiming the subsidy. But I think the minister will agree that if during that base period an organization had a loss in each and every year, his putting in that phrase "four-year period" had not to do with the standard profits. I think his sentence should have stopped with the "standard profits in accordance with the act", rather than adding the phrase "over a four-year period".

I was going to ask the minister, although I might defer it to some later stage, whether, before a change is ordered, any contact is made with the trade that are supplying different commodities. There is some criticism that these orders are coming too thick and fast. I would prefer to see these subsidies used more to iron out difficulties to having regulations coming out one after the other, some of which in due course must be rescinded or amended. In other words, I am of opinion that in Canada we who are engaged in industry are getting regulations faster than we can take them,—leaving the impression that our democratic organization known as government has a tendency to become a little autocratic.

There is another observation I should like to make with regard to this ceiling, particularly referring to the June-September reversal or squeeze which caused some squeals and squeaks when it went into effect on March 24 last. The labour costs went on until September, and the cost of living bonus is taking care of the situation fairly well so far as labour is concerned. In passing, may

I remark that the cost of living index as determined by our bureau does not take care of the actual increase; there seems to be something which is not included. But labour costs rose in that period, and for those manufacturing the goods to have to extract back from this fund the labour costs is just adding another burden. Whereas the industry and the individual workman received their increase, costs in respect of these forty items reversed as at June, although the average cost of living went up between June and September.

In the main this legislation is necessary now. Mark you, I am careful not to say that it is sound for an ordinary economy; it may be sound for a wartime economy. But in the final analysis it is driving individual enterprise to lean on governments and not exercise the initiative which ordinarily we find among the people of our country.

One other observation I should like to make. If the subsidy is going to be paid to any industry, and the sum payable is to be lessened by the amount of excess profits made during the fiscal period under review, then if there are sufficient excess profits in the industry there will be no subsidy, the only subsidy payable being that portion which is left after excess profits are deducted. Then they will find that they come into this difficult field: an industry may be in a score of lines which are not necessarily departmentalized. I think the act covers excess profits made in all lines of business conducted by the particular enterprise making a claim for subsidy.

I warn the minister and the department that this part of order No. 116 of the wartime prices and trade board is going to tend to break corporations down into smaller units. The units which are profitable will probably make their returns under one company, and those that require subsidies for the portion of their business which they are operating at a loss and which comes under this act, will be segregated in a corporation under their control. In that way the provisions of the order of the board providing for over-all profits on all their operations will be circumvented. I mention this as a constructive point, but I am sure that the department is apprised of it. I want it to go out to industry in this country that this parliament is fully aware of what is going on and of what might be running through their minds. I want it to be known that we do not intend to tolerate any circumvention of the act by that particular method.

I hesitate to mention any particular commodity, but this is necessary in order to illustrate the point I want to make, not only with regard to imports coming into the country, but with regard to exports going out. Because of prevailing prices, particularly in the United States, the export of certain lines of commodities from Canada has been quite profitable to some of our United States friends who are in a similar line of trade. Large tonnages of commodities find their way to the United States market, and the result is that there are shortages of raw materials in this country. In order to meet the requirements of Canada, and in view of the fact that there is a ceiling on the selling prices of the finished Canadian products, Canadian industry has had to go farther afield for raw materials. This has caused increased costs, and they have suffered to some extent.

While it is not the example I have in mind, perhaps the one I intend to give will bring this matter more forcibly to the attention of hon. members than anything else. I refer to the export of live cattle, which is causing a shortage of beef . This one industry seems to be curtailing their production of beef because they were losing a few shekels in that particular branch of their business. I suggest that the government could very well consider this situation and see to it that they keep on producing the normal requirements of the Canadian consuming public until such time as prices in the United States and Canadian markets adjust themselves. They should not embarrass our Canadian economy by allowing a supply of that commodity to be exported off the market. If subsidies are to be available to take care of excess import prices, some consideration should be given to subsidies to balance export prices.

I am satisfied that in the main industry will work closely with the government to help out during this war-time crisis. I am also strongly of opinion that orders from the wartime prices and trade board should be slowed down a little in order to give the Canadian people a chance to catch their breath. Before I sit down I should like to leave one thought with those engaged in industry. I do not purpose to speak for industry only; I happen to be a farmer as well, in common with many others in the house. But I do hope that industry will hear the echo from this sounding board of public opinion, namely, the Canadian House of Commons, and understand that we expect them to carry on and play their full part during this war-time emergency, even though they find themselves not able always to have a credit balance.

Mr. ILSLEY: I should like to say a word about the course this discussion has taken. It is in order for this matter to be discussed now, but at the same time it was arranged that so far as possible we would consider the army, the navy, the air force and muni-

tions in that order. I merely suggest to the committee that perhaps this matter could be more profitably discussed if the prepared statement which I delivered this afternoon were read and considered first. An appropriate time could be set later on for discussion in accordance with the convenience of hon. members. My colleague, the Minister of National Defence (Mr. Ralston), is ready to answer questions. As I said before, this is merely a suggestion. I do not know how far to go in attempting to organize the proceedings of the committee in connection with this particular measure. It would be in order for hon. members to go over the whole field of every department; but if the committee sees fit, it could go on with the army and then come back to this matter on some future occasion. If hon. members prefer to discuss this now, they are in order, but I would recommend the other course.

Mr. COLDWELL: I am inclined to agree in the main with the minister that discussion would probably be more profitable after we have had an opportunity of reading his statement and making a study of it. I do not know the desire of the committee, but if there is going to be a general discussion, there are some things I should like to say now. If, however, it is agreed that we let this matter rest until we have studied the statement, I am quite content to reserve any remarks I have until that time.

Mr. ILSLEY: I understand it is the wish of the acting leader of the opposition (Mr. Stirling) that we go on with the army estimates. Is that correct?

Mr. STIRLING: I suggest that it would be quite convenient to those who sit around me if we proceeded with the original suggested order of army, navy, air force and munitions, and then at a later date, when hon. members have had an opportunity to read and consider this long statement by the Minister of Finance, this matter can be discussed.

Mr. COLDWELL: I am quite agreeable if that is to be the procedure, although there are one or two questions that might be raised at the moment. For example, there is the situation that exists with regard to certain agricultural products, notably beef, of which we have been hearing, and the effect of the policy upon the agricultural producer of that and other commodities. I am, however, quite willing to proceed as suggested by the acting leader of the opposition and discuss these matters at a later date.

Mr. ILSLEY: I think that would be best. The only reason why I broke in with this statement was because it had to be made; there was so much discussion and so many surmises about subsidies that I simply had to make the statement, and so it was announced earlier in the week that I would.

Mr. COLDWELL: Will the Minister of Finance or the Minister of Agriculture be prepared next week to make some statement regarding these agricultural commodities, particularly beef, about which there is much controversy?

Mr. ILSLEY: Not a thing has been done about beef. It is just controversy.

Mr. COLDWELL: But we get a great many communications about it.

Mr. GRAYDON: The controversy is because nothing has been done.

Mr. BLACKMORE: Our group would be quite content to have the discussion come at a later time. I think, however, it is in order for me to say briefly that we support the minister in his efforts; we believe he has done a very fine job. Our one general criticism would be that too little attention has been given to the productive element of our economy; that is, not enough profit has been allowed, or not enough opportunity even to clear costs and make a living has been allowed to the farmers and other primary producers, resulting in just such things as the beef situation, and certain to result in trouble over sugar, molasses, alcohol, wool, and a great many other commodities as sure as we are here. Having said that, we will just call it a day as far as my group is concerned and be ready to go into the discussion at a later date.

Mr. HAZEN: I should like to ask the Minister of National Defence how many privates and non-commissioned officers of the Canadian army overseas have returned to Canada for the purpose of qualifying as officers? In this connection I should also like to know how many privates and non-commissioned officers in the Canadian army overseas have received commissions overseas without returning to Canada, if any.

Mr. RALSTON: I cannot give an answer to the last question. With regard to the first, the policy is to receive about one hundred a month from the ranks overseas for qualification at Brockville and Gordon Head. I cannot tell my hon. friend at the present moment how many have actually come back.

In that connection, dealing with something that was said by the hon. member for Cape Breton South yesterday and by someone else with regard to promotion of officers generally, I have inquired with reference to cadets training at Brockville, and I find that 65 per cent of the cadets training are those recommended

from the ranks; about 35 per cent are officers, most of whom I think are those who have received commissions in the technical services, such as engineers, ordnance, signals, et cetera, men who are qualified mechanically or industrial engineers, who either have been at universities as teachers, or are university graduates who came from either civil life or directly from universities in order to take particular jobs where their special qualifications fitted them to serve. There are a few who have been recommended from the reserve army, but those are all active service men. As I understand it, those being recommended from the reserve army will from now on be very few, if any, on account of the low medical categories and age limits for the reserve army.

Mr. WHITE: What is the educational standard that is set for non-commissioned officers and privates who are recommended for commission, if there is a certain standard, and what allowances, if any, are made from that?

Mr. RALSTON: The minimum is junior matriculation.

Mr. WHITE: Is that always insisted upon, or is it waived in certain circumstances.

Mr. RALSTON: Without looking over the roll I cannot tell, but that is the standard set. If my hon. friend knows of any instance, I shall be glad to look it up.

Mr. DOUGLAS (Weyburn): I should like to ask the minister with regard to what seems to me a vicious practice that has grown up; that is the practice of discharging men who have been invalided home, and turning them over to the Department of Pensions and National Health for care and support. I do not remember a great deal about the last war; but if I remember correctly, my own father was in hospital for a considerable time after the war. In the last war if men were wounded or invalided home, they were a charge upon the Department of National Defence and received pay and allowances until they were discharged. I find now to my surprise several cases of the kind I have mentioned. Take one in particular, a young man wounded in England, and invalided home. I saw him during the Easter recess. He still has a tube in his side, and has a prospect of perhaps half a dozen operations. He now finds he is going to be invalided out, discharged from the army and turned over to the Department of Pensions and National Health. That department will be responsible for giving him hospital and medical care. I believe he can claim some $9 a week. If he were married it would be $13.50 a week. It may be necessary for this man to get treatment over a long time. It is not quite so bad for a single man, but I had a case of a man who developed pneumonia, one lung being affected. He was discharged from the care of the Department of National Defence and put in a sanatorium as a civilian. His wife found her separation allowance stopped. When she came and told me about it I could not believe it, but I got in touch with the authorities and found it correct. He is now a civilian under the care of the Department of Pensions and National Health, despite the fact that he is not yet able to take his place in a civilian occupation.

Could the minister give some statement as to what the policy is in that regard? Does the Department of National Defence discharge a man when it finds he is going to be invalided out? Does the separation allowance stop, and is that man dependent entirely on the $9, or $13.50 a week if married, for his support and that of his family?

Mr. RALSTON: The general statement is that the Department of National Defence does discharge a man when he is physically unfit for further service. That is obviously necessary, otherwise we would be showing on our strength men who could not serve.

There is no break between the discharge and the Department of Pensions and National Health taking on and seeing that the man is given treatment because he has become a civilian. I do not think my hon. friend objects to that; if he is discharged he would become a civilian. Then he is taken over by the Department of Pensions and National Health and given treatment. If he is mendable he is not discharged; he goes to a military hospital for treatment. If the prognosis turns out eventually to be wrong and it is found that he cannot be restored to a category which would enable him to serve, then he would be discharged and go to the Department of Pensions and National Health.

Mr. DOUGLAS (Weyburn): As I remember, the practice in the last war was that even a man who had been badly wounded was not discharged. I have seen men in the Deer Lodge hospital who would never fight again, but they were in uniform, receiving army pay and family separation allowances. Why the difference in the treatment now?

Mr. RALSTON: I think my hon. friend will find that when men are in England they are treated there and treated until they become convalescent. Then, of course, if the prognosis is such that they cannot be restored to their units, they are sent home here; and if further treatment is required, they are taken over by the Department of Pensions and National Health.

Mr. DOUGLAS (Weyburn): I am not referring to treatment in England, but after

the last war men were in Deer Lodge hospital in Winnipeg for several years following the war. They were still soldiers, receiving army pay and allowances.

Mr. RALSTON: Does my hon. friend mean that Deer Lodge was operating under the Department of National Defence? I think Deer Lodge is under the Department of Pensions and National Health.

Mr. DOUGLAS (Weyburn): Yes, but as I understood it, the men in the hospital were still in uniform, still receiving army pay and allowances.

Mr. RALSTON: I am afraid my hon. friend and I are at cross-purposes. Deer Lodge is a hospital under the Department of Pensions and National Health. My hon. friend says the men were in uniform, but I have said that, generally speaking, the men are discharged, and then go to the Department of Pensions and National Health as civilians. My colleague the Minister of Pensions and National Health tells me that as soon as the men are fully convalescent they are given vocational training, or some sort of rehabilitation training, during which they are kept on pay and allowances. Perhaps the best thing for me to do is to get a little more information about the matter. I am only telling my hon. friend the general principles, and I do not think my hon. friend has in mind what the army does, because I cannot conceive that a man, having been discharged from the army, would continue to receive pay and allowances. I shall, however, find out what compensation is given men after they have been transferred to the Department of Pensions and National Health.

Mr. DOUGLAS (Weyburn): Probably I did not make myself clear. I was not referring to Deer Lodge hospital at the present time, but after the last war I had occasion to visit some of the military hospitals, and I noticed that even one or two years after the war was over, men were still wearing their uniform blue. To my knowledge, and I am trusting entirely to my memory—

Mr. RALSTON: The blue is the hospital uniform.

Mr. DOUGLAS (Weyburn): To the best of my memory these men were still receiving army pay, and their families were still being paid separation allowances. Apparently that principle is not being followed this time. What provision is made for a man's family upon his being discharged and turned over to the Department of Pensions and National Health?

[Mr. T. C. Douglas.]

Mr. RALSTON: I said I would find that out myself, but I would rather have my colleague the Minister of Pensions and National Health answer the question.

Mr. MACKENZIE (Vancouver Centre): If the man discharged is awaiting decision on entitlement to pension, family allowances may be granted for a period of 122 days. By that time, of course, the entitlement will be determined by the board. Of course, if the man is finally discharged from hospital, the various provisions of the post-discharge order of October 1 would come into effect, in regard to whatever sort of compensation he could qualify for; and in addition, of course, he is entitled to free treatment for most remedial conditions, but not to pay and allowances, for a whole year after his discharge.

Mr. GILLIS: Just to follow that up, these things all sound very nice when explained in the house, and they look fairly well on paper, but in practice they are not working out in that way. Last November I had occasion to be in Halifax doing some work at Camp Hill hospital in reference to old soldiers. There was a board of inquiry there looking into the administration of the hospital; there had been numerous complaints. Doctor Miller was there at the time. The situation, as I heard it discussed to-day by the hon. member for Weyburn, worked out there in this way. A large number of men were coming in from the military districts. The regular doctors were boarding them. Take the case of a man who was recommended for discharge. The treatment branch of pensions and national health then found themselves with a civilian on their hands, and they had no authority to treat that man. I know of one or two cases in which a man required a serious operation. Apparently pensions and national health had no authority to have that operation performed, because the man was recommended for discharge. In one case the man had to go to Kentville and undergo the operation; he had to pay for it himself and then found that he was unable to accept employment. I do not know whether that case was settled, but at that time there was quite a controversy going on in the hospital. I took the trouble then to go across to the camp and talk to some of the officials there. I did not find one of them satisfied with the arrangement. I thought I had some conception of the regulations, but certainly my understanding of them was not being carried out there. The treatment branch of pensions and national health find themselves with a civilian on their hands, discharged by the regular army. They are without authority to treat him, or pay him allowances, or any-

thing else; he must go through all the machinery of rehabilitation. That is the way in which it was working out at that time.

Mr. MACKENZIE (Vancouver Centre): That is not the correct way, according to the provisions of the various orders in council.

Mr. GILLIS: I did not think it was.

Mr. MACKENZIE (Vancouver Centre): If he is discharged while in hospital, he is either pensionable or not pensionable. If he requires treatment in the meantime, until such time as his pensionability is assessed, his family are entitled to allowances. If he is not a pensionable case, of course he would be immediately placed in the hands of our welfare officers, whose duty it is to look after him, follow him up, and see to what benefits he is entitled under the post-discharge regulations. I should be very glad if my hon. friend would give me privately the name of the man to whom he refers, in order that I may have it looked into immediately.

Mr. CASTLEDEN: I have a similar case. A man came home on leave from the camp at Calgary. While home, he was taken violently ill and it was necessary to perform an emergency operation. His father wrote me, stating that he had to pay for the operation, which was performed in a local civilian hospital. The boy went back to camp, and his father has been trying to obtain some adjustment from the military authorities. What could be done in that case?

Mr. RALSTON: If my hon. friend will refer it to me, I will see what can be done, but this is the first I have heard of it. It must be an exceptional case. Of course, almost always in these cases which seem to be so obvious there is some fact which has been overlooked. I know nothing about the case, and I would not presume to pass judgment on it until I had all the facts, but I shall be very glad to look into the facts if my hon. friend will give me the name.

Mr. CASTLEDEN: I can get it from my files.

Mr. LOCKHART: I should like to ask a question in regard to a matter of general policy, in order to clear up some misconceptions. Let us say a man returns to Lansdowne park after serving in England for a year and a half. He is placed in category E and discharged. Is the clothing allowance handed to him, or is the money given to some sergeant or other officer to spend as he wishes? In the second place, how long does it take before the man gets his month's pay and dependents' allowance? Supposing he leaves here on April 15 and goes back to his home city; how long should it be before he gets his pay?

Mr. RALSTON: I should think it would take only a short time, if all his documents were here.

Mr. LOCKHART: Would the minister say two weeks would be too long?

Mr. RALSTON: My guess, again right off the bat without knowing the facts, would be two weeks. I suppose my hon. friend is going to say it took two months?

Mr. LOCKHART: No; but how can a man live in the meantime, a man who was getting only $1.30 a day, coming back to Canada without a cent in his pocket? Then he is given $35 for clothes, but is taken to a store here in Ottawa and apparently the money is spent without any direction at all on his part.

Mr. RALSTON: I have heard that statement before.

Mr. LOCKHART: I should like to have some general direction.

Mr. RALSTON: If I find it necessary I will deal with it myself.

Mr. LOCKHART: Does the man receive $35 himself, or is it spent for him?

Mr. RALSTON: There is no reason, so far as I know, why he should not receive it himself.

There were two or three questions asked me yesterday, and perhaps the committee would permit me to record my answers. Some hon. member asked me respecting the number of periods spent in connection with rifle and light machine-gun training. I have here a table respecting Camp Borden, which I shall place on record. This schedule shows the number of periods and the number of rounds fired at the various training centres.

Hon. members will recall that at Camp Borden there is basic training; a Canadian armoured corps training centre, which would be an advanced training centre; an infantry training centre, which is an advanced training centre; and a Royal Canadian Army Service Corps training centre, which is advanced, too. As a matter of fact, there are two armoured corps and two infantry training centres. The following is the information with respect to the standard periods of training in training centres at Camp Borden:

—	Advanced Training Centres							
	Basic T.C.		C.A.C. T.C.		Inf. T.C.		R.C.A.S.C. T.C.	
	Periods of Instruction	Rounds Fired	Periods of Instruction	Rounds Fired	Periods of Instruction	Rounds Fired	Periods of Instruction	Rounds Fired
Rifle.....	49	45	10	50	24	55	13	25
L.M.G. (Bren Gun)..	34	0	10 (Bren)	100	28	120	18	50
Anti-tank Rifle.....	0	0	6	32(·22″) 5(·55″)	6	32 (·22″)	6	32 (·22″)
Thompson Machine Gun (Tommy gun).	0	0	5	18	5	38	5	38

Hon. members will realize, of course, that when the period of instruction and the rounds fired for the Canadian armoured corps training centre, for instance, are indicated on the table, the amounts mentioned are in addition to the amounts indicated for basic training.

I might make a further explanation, with regard to the table in connection with the rounds fired from the anti-tank rifle. The ammunition for the anti-tank rifle has not been coming off in sufficient quantities for us to permit firing. But what we are doing is to use converters. That is to say, cartridges are fired through converters. Therefore a man gets practice in loading and aiming, but he fires a ·22 bullet instead of a ·55.

Mr. WHITE: While the syllabus shows the number of training periods and the number of rounds fired, I should like to know if the required number of rounds are actually fired, or if this is in fact only a syllabus. Is it only a paper syllabus? Is it carried out, and are those rounds actually fired?

Mr. RALSTON: It is practical military training; it is not a paper syllabus.

Mr. WHITE: The minister mentioned the anti-tank gun—

Mr. RALSTON: No, not the anti-tank gun; I referred to the anti-tank rifle. I shall deal with the anti-tank gun at a later time.

Mr. WHITE: I have been advised by people who, I have every reason to believe, have given me correct information, that on account of lack of ammunition, no private or no non-commissioned officer fires an anti-tank rifle.

Mr. RALSTON: As I have said, there is no ammunition; converters have just now been distributed. As a matter of fact, firing has commenced. Converters are now being distributed for use in connection with the anti-tank rifle to enable firing for practice purposes. We expect some ammunition from Canadian production within a short time. It is only recently that converters have been obtained and used.

Mr. WHITE: I said something yesterday to the minister about the firing of machine guns, and I mentioned the firing of fifteen rounds. The minister has given a great many more rounds to be fired in the ordinary course of training.

Mr. RALSTON: The hon. member is talking about the Bren gun?

Mr. WHITE: Yes, or the Lewis gun. I should like to be assured by the minister that every soldier training does actually fire, in practice, the number of rounds as set out in the syllabus. The minister said yesterday he did not have the necessary information. I should like to have accurate information, and I should like to have the minister advise the committee that a soldier does fire the actual number of rounds set out in the syllabus.

Mr. RALSTON: The chief of the general staff advises me, I can say, that that is the situation—that those rounds are fired.

Mr. DOUGLAS (Weyburn): The minister was going to say something about the anti-tank gun.

Mr. RALSTON: Did I use the words "anti-tank gun"?

Mr. DOUGLAS (Weyburn): Yes.

Mr. RALSTON: Well, so far I have been talking about the anti-tank rifle.

I wish now to say a word about the anti-tank gun, because I think some inquiries were made about that gun by an hon. member on the other side of the house. With regard to the two-pounder anti-tank gun the committee will understand that those guns are not weapons for infantry units. Anti-tank guns are weapons used by armoured corps and artillery units. I may say with regard to the anti-tank gun that the ammuni-

tion is just beginning to come off the line. As a matter of fact, I have information to-day with respect to the number of rounds which have been distributed to the various training centres, and the number of rounds which remain on hand. Those are being fired at both types of training centre; that is, at armoured corps training centres and artillery training centres. Therefore do not be disappointed if you find that anti-tank guns are not being fired at infantry training centres. The reason is that they are not infantry weapons.

Mr. CASTLEDEN: What is the muzzle velocity of the anti-tank gun?

Mr. RALSTON: I cannot tell my hon. friend that.

Mr. CASTLEDEN: Not even approximately?

Mr. RALSTON: It would only be a guess. Some hon. member asked about the filing of a syllabus. I do not know whether hon. members would be interested in the whole syllabus. I have consulted with the chief of the general staff, and as a result I have here a block syllabus for advanced training centres and infantry training centres. I do not wish to file particulars of the syllabus, but I should like to give a block syllabus which would indicate the division of periods and hours with respect to the various items of training at both advanced and infantry training centres.

First, with regard to basic training centres—

Mr. STIRLING: I understand the minister is entering into a new subject. Perhaps he would deal with that at eight o'clock.

Mr. RALSTON: Yes, because I wish to give an explanation.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. RALSTON: When the committee rose at six o'clock I was proposing to comply with the request which had been made that I give the syllabus for the training centres. I have in my hand the standard syllabus which is in use at the basic training centres. I am sure that the committee does not desire me to read it in full, and if I may, I shall put the syllabus on *Hansard*, together with a memorandum explaining the abbreviations used. The syllabus shows the various subjects taken in, the total number of periods in the two months, and the number of periods spent in the eight weeks on these different subjects, with the total:

BASIC TRAINING CENTRE
Block Standard Syllabus

Code	Subject	Total Periods	Standard Typical Platoon Weekly Distribution								
(a)	*(b)*	*(c)*	1	2	3	4	5	6	7	8	Total *(d)*
D	Drill, Foot, Arm, Saluting	50	12	12	7	4	4	4	3	4	50
PT	Physical Training	40	5	5	5	5	5	5	5	5	40
FA	First Aid (SJAB)	20	....	....	4	4	4	4	4	....	20
M	Marching	23	....	2	2	6	4	4	5	....	23
R	SAT Rifle	26	8	12	3	....	....	....	....	3	26
RR	SAT Rifle Range Course	18	....	....	3	4	5	6	....	....	18
R & LA	SAT AA (Rifle and LMG)	9	....	....	....	....	....	....	....	9	9
B	SAT Bayonet	15	....	5	5	5	....	....	....	....	15
L	SAT Light Machine Gun	30	....	....	5	5	5	5	5	5	30
G	Respirator Course	12	....	....	....	....	....	2	5	5	12
FC	Fieldcraft †	18	....	....	....	....	7	4	7	....	18
MR	Map Reading	22	....	....	3	6	3	5	5	....	22
FT	Fundamental Training ‡	20	5	3	2	2	2	2	2	2	20
OS	Organized Sports	14	....	3	3	2	2	2	2	....	14
HG	Reception and Transfer	20	10	....	....	....	....	....	....	10	20
S	Spare Periods Pool	22	5	2	2	2	3	2	3	3	22
Totals:	Periods	359	45	44	44	45	44	45	46	46	359
	Hours (Approx)	264	32·5	32·5	32·5	33·2	32·5	33·2	34	33·6	264

† Fieldcraft should be visualized as a "course" within the Syllabus and should be worked in with map reading in the 6th and 7th weeks of training.

‡ FT periods are only 30 minutes long. All other periods are 45 minutes. The weekly allotment includes one weekly "barrack-room" period under platoon NCOs for cleaning equipment, etc., as "make-and-mend periods".

N.B.—The periods laid down DO NOT include time for daily barrack-room duties, clothing or pay parades, ordinary recreational training, etc., time for which must be found outside the periods stated.

I will just run over the first column of the above table. Drill, foot, arm, saluting, 50 periods. I indicated before that the periods were 45 minutes, and I am advised that there are 8 of them in a day. That means there remain fifteen minutes of each hour during which the man is still on parade, and that period is used for a break-off and also for changing from one place to another. If there are any blanks, the time is used in the ordinary activities around the camp. Next is physical training, 40 periods; first aid, 20 periods; marching, 23 periods; rifle 26 periods—that is musketry apart from the rifle range; rifle range course, 18 periods; anti-aircraft, rifle and machine gun, 9 periods; bayonet, 15 periods; light machine gun, 30 periods; respirator course, against gas, 12 periods; fieldcraft, 18 periods; map reading, 22 periods; fundamental training, 20 periods; organized sports, 14 periods; reception and transfer, 20 periods; spare periods pool, 22 periods. The spare periods are for rainy days and give the course a flexibility which enables the chief instructor to introduce extra lectures or other matters which may come up and be of interest to those who are training and useful in connection with their work.

In addition, there are the usual activities around the camp, cleaning kit, making up bunks and all the work that has to be done in connection with accommodation and living, and all this is done outside the periods mentioned above in the syllabus. The total number of periods in the syllabus is 359, which means approximately 264 hours actually spent in taking the course, apart from the other activities I have mentioned.

For the advanced infantry training centre the syllabus is made up in much the same way, as follows:

ADVANCED (INFANTRY) TRAINING CENTRE

Block Standard Syllabus

Code	Subject	Time Allotted		Typical Weekly Platoon Distribution									
		Hours	Periods	1	2	3	4	5	6	7	8	9	10
	COMMON TRAINING												
D	Drill	6	8	6	1	1	...	...	...	...	...	...	...
PT	Physical Training	18	36(a)	6	5	5	5	5	5	5	...	...	...
M	Marching	39¾	53	...	7	7	7	8	8	8	8	...	...
MR	Map Reading	15	20	6	2	2	2	2	2	2	2	...	...
FT	Fundamental Training	12	24(a)	3	3	3	3	3	3	3	3	...	...
G	Protection Against Gas	11¼	15	6	6	3	...	...	...	...	...	...	...
R	WT—Rifle	4½	* 6	6	...	...	...	...	...	...	...	...	...
LA	WT—LMG	7½	*10	...	10	...	...	...	...	...	...	...	...
AA	WT—Anti-Aircraft	3	* 4	...	4	...	...	...	...	...	...	...	...
B	WT—Bayonet	12	16	2	2	2	2	2	2	2	2	...	...
AT	WT—ATk Rifle	2¼	* 3	...	3	...	...	...	...	...	...	...	...
2M	WT—2″ Mortar	7½	*10	...	...	10	...	...	...	...	...	...	...
GR	WT—Grenades	7½	10	...	...	4	6	...	...	...	...	...	...
VJ	WT—VT, JD and FO	3	4	2	2	...	...	...	...	...	...	...	...
RC	WT—Range Courses	24	32	...	...	8	8	8	8	...	...	...	...
C	Cooking in the Field		(b)	...	...	...	...	...	...	...	...	...	...
OS	Organized Sports	12	16	2	2	2	2	2	2	2	2	...	...
HG	Reception and Transfer	12	16	8	...	...	...	...	...	...	8	8	8
	SUB-TOTAL	197¾	283	47	47	47	35	30	30	22	25(c)	8	8
	INFANTRY TRAINING												
E	Digging and Wiring	24	32	...	...	...	3	9	8	12	...	...	...
T	Field Training	37½	50	...	...	...	8	8	8	10	16	...	...
	Spare Pool	15	20	2	1	1	2	1	2	4	7	...	...
	SUB-TOTAL	76½	102	49	48	48	48	48	48	48	48	/	/

ADVANCED (INFANTRY) TRAINING CENTRE—*Con.*

Block Standard Syllabus

Code	Subject	Time Allotted		Typical Weekly Platoon Distribution									
		Hours	Periods	1	2	3	4	5	6	7	8	9	10
	3″ MORTAR TRAINING												
3M	Mortar Recruit Course	39	52	...	...	...	11	17	16	8	...	...	...
3E	Digging and Wiring	9	12	...	...	...	...	...	...	12	...	...	...
3F	Field Training	13	18	...	...	...	...	...	...	2	16	...	...
	Spare Pool	15	20	2	1	1	2	1	2	4	7	...	...
	SUB-TOTAL	76½	102	49	48	48	48	48	48	48	48	/	/
	MT TRAINING												
DR(*w*)	D & M (wheeled)	137½	183	...	...	...	12	17	17	25	30	45	37
	Spare Pool	11¼	15	2	1	1	1	1	1	1	1	3	3
	SUB-TOTAL	148½	198	49	48	48	48	48	48	48	48	48	48
	CARRIER TRAINING												
DR(*w*)	D & M (wheeled)	74½	99	...	...	...	12	17	17	26	27	...	...
DR(*c*)	D & M (carrier)	66½	89	...	...	...	...	...	...	...	4	48	37
	Spare Pool	7½	10	2	1	1	1	1	1	...	...	...	3
	SUB-TOTAL	148½	198	49	48	48	48	48	48	48	48	48	48
	MC TRAINING												
MC	D & M (Motorcycle)	107¼	143	...	...	...	13	18	18	26	31	37	...
	Spare Pool	5¼	7	2	1	1	...	...	...	...	...	3	...
	SUB-TOTAL	112½	150	49	48	48	48	48	48	48	48	48	48

TOTALS COMPLETE ADVANCED TRAINING	Hours	Periods	Weeks
Total for infantrymen	274¼	385	8
Total for 3″ mortar personnel	274¼	385	8
Total for motorcycle drivers	310¼	433	9
Total for MT drivers	346¼	481	10
Total for carrier drivers	346¼	481	10

* Should be organized as a "course" within the platoon time-table where possible.

NOTES: *(a)* Thirty-minute periods, all others forty-five.
(b) To be carried out during field training.
(c) Total to be carried down as "17" in case of MT, MC and carrier, finishing in Weeks 9 and 10.

It will be seen from the table that the syllabus for the advanced infantry training centre is made up in much the same way. The drill is cut down very considerably, there being 8 periods; physical training, 36 periods; marching, 53 periods—there is much more time spent in marching; map reading, 20 periods; fundamental training, 24 periods; protection against gas, 15 periods. There is a good deal of weapon training; rifle, 6 periods; light machine gun, 10 periods; anti-aircraft, 4 periods; bayonet, 16 periods; anti-tank rifle, 3 periods; two-inch mortar, 10 periods; grenades, 10 periods; fire orders—that is along with judging distance and visual training—4 periods; range courses, 32 periods—that is actual firing on the range; cooking in the field—there is no provision for that in the syllabus, but it is carried out during the field training, and comes later in the syllabus; organized sports, 16 periods; reception and transfer, 16 periods.

In addition, under infantry training, digging and wiring takes 32 periods; field training, 50

periods, and the spare pool amounts to 20 periods. That makes a total of 385 periods which are spent by the normal infantryman. That is 274¼ hours.

In addition, a certain number of the personnel take mortar training. The three-inch mortar is the battalion weapon, and training in the mortar recruit course takes 52 periods; digging and wiring, 12 periods; field training, 18 periods, and 20 periods are spare. In the motor transport section, driving and maintenance of wheeled vehicles take 183 periods, and there are 15 spare periods. Under carrier training, which is another section of the headquarters company, there are spent on driving and maintenance of wheeled vehicles, 99 periods; with the carrier itself, 89 periods, and there are 10 spare periods.

Under motorcycle training, in the signalling section, driving and maintenance of motorcycles take 143 periods, and there are 7 spare periods.

The summary for the advanced infantry training centre shows a total for any infantryman, 385 periods or 8 weeks; for three-inch mortar personnel, 385 periods or 8 weeks; for motorcycle drivers, 433 periods or 9 weeks; for motor-transport drivers, 481 periods or 10 weeks, and for carrier drivers, 481 periods or 10 weeks.

Mr. GREEN: The minister spoke yesterday of commando training and told us that a school was to be established in western Canada to give this new type of training. I suppose it would be difficult to expand that training to cover all the infantry recruits training in Canada, but would it not be a great help if that commando training could be undertaken in Canada on a really large scale? Would it not help our army a great deal if several of these schools were set up and if eventually we could put all our infantrymen through such a school?

Mr. RALSTON: I think I indicated yesterday that the purpose of the school was to train instructors, and the instructors are sent from the units. These instructors go back to the units; and I think I can say that the selection of instructors will be pretty general from all companies, and also from the trained soldier companies which are the graduates of the advanced training centres. They will be sending officers and non-commissioned officers as well to be trained. All my hon. friend is speaking of is the degree to which that training is to be done. We shall take into consideration what he has said about the comprehensiveness of it. But it is intended that the training shall get back to all the combatant units.

[Mr. Ralston.]

Mr. GREEN: It would not only greatly increase the efficiency of our army but also interest the men a great deal if they could be given this new type of training.

Mr. RALSTON: That is one of the reasons why we are setting up the school.

Mr. CASTLEDEN: The name of the party whom I mentioned before dinner is Gunner Metro Semenuik, L.600658. He is in the Canadian artillery, A.T.C., Fort Connaught, Halifax, Nova Scotia.

Mr. RALSTON: Thank you.

Mr. CASTLEDEN: Would the minister mind making a statement at this time with regard to the situation at Debert camp? Complaints are coming through, from western men at least, as to the dampness and the difficulty of heating the huts. I have seen several complaints that men find it very difficult to acclimatize themselves to that area. I was wondering whether there has been an unusual amount of illness there due to camp conditions.

Mr. RALSTON: My hon. friend from Saskatchewan is making some reflections on the climate of Nova Scotia. I was at Debert camp last week, and the chief of the general staff was there a day or two afterwards, under conditions—I mean as regards rain—which I should think were about as unfavourable as they could be. I have taken up with the quartermaster-general certain matters with regard to the improvement of the camp and seeing to it that the roadways and the general means of communication are better. I did not hear a single complaint with regard to the heating of the huts. Of course it was then getting on to spring; it may be quite different in the winter time. I shall certainly take this matter up with the quartermaster-general.

As everybody knows, Debert camp was selected at a time when we were looking for a place which would give the proper operational location and be not far from the air force. It was ideal so far as the map location was concerned, because the air force had located a very large and useful aerodrome not far away. You cannot have everything. I believe that whatever natural disadvantages Debert camp may have by reasons of soil can be overcome; indeed they have been to a very large extent overcome in the year and a half it has been operating. I must pay tribute to the troops who went there a year ago last fall. I know what it was like, for I was down there myself. It was, so to speak, in the forest primeval; conditions were not too good. But they went at it with a will, and I must say

that some of the western units, particularly, gave one an extreme sense of satisfaction at the way they took it in their stride.

Mr. CRUICKSHANK: They are good men, from the west.

Mr. RALSTON: I found one unit busying itself taking stumps out of the parade ground in front of their particular hut. But Debert camp has great possibilities, and I anticipate that we can overcome the difficulties my hon. friend has mentioned, although as a matter of fact I have not heard that the huts were cold or anything of that kind. Generally speaking, it is a fact that the soil is heavy, the water does not run off readily, and therefore drainage and roadways must have very much more attention paid to them.

Mr. CASTLEDEN: The minister has not answered my other question: has there been an unusual number of cases of sickness at that camp?

Mr. RALSTON: I must say that I did not ask about that. I was in the hospital—I believe, in every ward—and talked to the officer in command there. He did not mention that there had been any abnormality. The hospital was running well. I believe I asked a good many men as to their illnesses, and as far as I remember, hardly any of them mentioned colds or any affection which would arise as a consequence of damp weather. To answer my hon. friend's question directly, I have not heard that there was an abnormal amount of illness at Debert camp. I shall certainly make inquiries.

Mr. CASTLEDEN: Can the minister give us an assurance that munition dumps in the east are placed where there is the least possibility of danger?

Mr. RALSTON: I can at once assure the committee on that point. This matter has been considered by the chiefs of staff and by the defence council. The location and construction of ammunition dumps were decided a good while ago, and the locations are such, I believe, as will provide for the greatest security and, at the same time, the greatest utility.

Mr. DIEFENBAKER: We have been discussing for over two days questions connected with the army, and as yet we have had no statement from the minister regarding recruitment for the active army or for the reserve. The only statement which I have seen in connection with the reserve is that men are enlisting in large numbers. That statement did not come from the minister.

In so far as active service units are concerned I think we should be informed how many men have joined during the past two or three months, and whether the numbers joining are sufficient for the purposes of the army, not only to provide for its needs at the present time but also to meet the contingency of our men overseas being actively engaged.

During the last four or five days I have received a large number of letters from farmers and farmers' sons pointing out that, in spite of the announcement made by the Prime Minister on March 24 last, every consideration would be given to not calling up farmers' sons necessary in agriculture at this time, by granting them a postponement for the time being, the situation is very unsatisfactory. As far as those men are concerned who are actually in service, the promise was made that, upon application to the commanding officer, favourable consideration would be given to releasing men engaged in agriculture on leave to assist with the spring work.

In the latest issue of *Canada at War*, April, 1942, the following appears at page 8:

> Emphasizing the vital role being played in this war by food, farmers, their sons and farm labourers are granted an indefinite postponement of compulsory military service if they are doing essential farm work. They may enlist as volunteers in the armed forces, but they cannot accept any non-agricultural work except seasonal employment. . . .

The situation in western Canada, especially in Saskatchewan, is no better than it was when the announcement was made on March 24. I have had letters from men pointing out that they have brothers overseas and have been called up, although they are the only remaining young men on the farm able to carry on the operations. When applications are made to the national mobilization board, they contend that not sufficient attention is paid to them. I have every regard for the men who compose the national service board in that province, but I do not believe these applications are finding their way to the proper authorities. We are adjourning to-night for three or four days —I wonder why an adjournment is being had at this time of grave seriousness—until next Tuesday. We who come from the far west find ourselves in the position of having come to Ottawa to do the business of the country, to assist in doing it in any event, and yet an adjournment is to be made until next Tuesday. I mention that because if this matter is allowed to remain without some consideration being given to it immediately, the situation in so far as agriculture in western Canada is concerned will become most serious.

I suggest to the minister that he should issue instructions to the various boards throughout Canada—this does not apply only to Saskatchewan—which would provide some common denominator of action for all the provinces. It cannot be that men are wanted in the reserve army. There is not such a rush because only the other day Major-General Browne issued a statement which appeared under date of April 20. I quote:

> Things are rolling along with the Canadian reserve army, says Major-General B. W. Browne, director-general of that force.
>
> "They took on 2,000 men in military district No. 2 (Toronto) last week and other districts are getting lots of recruits, too," he reported to-day.

If that statement be correct and if recruits are rolling into the reserve army; if men find their way into the reserve, why the necessity during the period between April 15 and May 15, to call up men who are on farms? They are willing to serve; all they ask is that the government carry out the promise which was made on March 24, not only in the House of Commons but in a radio address to the country. I suggest to the minister that if recruits for the reserve units are piling in, no harm would be done to this nation if these men were allowed to continue the necessary work of assisting in the spring work. Unless something is done at once, many parts of western Canada will not be placed under cultivation this year.

I am not asking for any different consideration for these men from that given to any other group. If they have not been called up yet, why the unnecessary rush since April 12? I ask the minister to give consideration at once to informing the national mobilization boards in the different provinces of the need of allowing as many men as possible to remain on their farms during the next three or four weeks, by postponements granted for that period, and that those who are in the service be permitted to return to their homes to assist in the spring farm work.

Mr. RALSTON: My hon. friend mentioned April 12, but I do not understand the significance of that date.

Mr. DIEFENBAKER: Two or three of the letters refer to being called up then.

Mr. RALSTON: From men?

Mr. DIEFENBAKER: Yes.

Mr. RALSTON: Men on farms?

Mr. DIEFENBAKER: Men on farms who have been called up.

[Mr. Diefenbaker.]

Mr. RALSTON: I thought I understood the Prime Minister to make an announcement that men who were on farms, who were wholly or mainly engaged in the occupation of agriculture on March 23, would be allowed to stay on the farms.

Mr. DIEFENBAKER: That is what was announced.

Mr. RALSTON: I have no doubt that the boards will deal with that. All a man has to do is to call attention to the fact that he is wholly or mainly engaged in the occupation. I do not know of any occupation in Canada—I think I am correct in saying this—the utility and usefulness of which in connection with the war activity has been so recognized as the farming industry. The army simply gives up any claim to those men who can show that on March 23, 1942, they were wholly or mainly engaged in agriculture. This is done regardless of how many there are on the farm, unless there are special circumstances. In other words, the burden is placed upon the army or the boards of showing that these men are not essential in industry. I do not know what greater concession my hon. friend wants than that.

Mr. DIEFENBAKER: The promise is all right, and I am not complaining about the declaration of policy. I am simply asking the minister to have representations made so that the policy will be carried into effect. It is not being carried into effect.

Mr. RALSTON: I should like to know of a case where a man has shown the board that he was wholly or mainly engaged in agriculture on March 23 and has not been relieved, unless it was a case in which it was shown that he was not essential in industry. This comes under the Department of National War Services, but since I am representing the government here to-night I shall be only too happy to see that the matter is brought to the attention of the board. I thought we had that pretty well behind us so far as the army was concerned. We simply called it a day so far as the agricultural industry was concerned, except in those cases where we could show that a man was not essential in industry. In other words, the burden was on us. If he showed that he was wholly or mainly engaged in agriculture, I understood that the board would excuse him. If my hon. friend has some cases, I shall bring them to the attention of my colleague the Minister of National War Services (Mr. Thorson).

Mr. DONNELLY: I have found no difficulty whatever in having farmers exempted from military service. The only criticism I

would make is that not enough time is given to the men in Regina who call up these men. In other words, you will want some men for April 12 and you send word out to Regina asking that they be called up. It takes up to ten days for the notice to reach some of these men, and it will take four or five days or a week for the notice to get back. These men do not have sufficient time in which to ask for an exemption on the ground of being farmers' sons. I think more time should be given. In many of these places there is only one mail a week. There are some districts in my constituency like that. The mail may get there the day after it leaves the main centre, and then it stays eight or ten days before it gets out. Then it will take probably another week for it to come back. I ask the government to consider the advisability of giving these men a little more time so that they will have time to ask for an exemption. Otherwise, I think this is working out very well.

Mr. RALSTON: There would seem to be some mistake about the facts here. I called the adjutant-general to find out when the next two classes were called to report. I am not sure of the exact date, but it was between May 9 and May 15. I am sure it was no earlier than that, but I have an idea they had to report on May 15. By the way, the number for the first class is very small; I assure whoever mentioned one thousand men that there were not anything like one thousand men called in Saskatchewan in that first call. This is April 23; that is seven days until the end of the month; if the call is for May 9, that is sixteen days, and that call went out some time ago. That does not seem to me like too little time. I should like to get to the bottom of this thing, because on the facts as they are put to me there is ample time for these men to apply.

Mr. DONNELLY: I can assure the minister that what I have said is so. I went to Regina and saw the committee, and they assured me it was right.

Mr. RALSTON: Does my hon. friend know what date he is speaking of?

Mr. DONNELLY: No.

Mr. RALSTON: I have in mind that the next two calls are May 9 and May 15; both those calls have gone out now. But no matter what the facts are, I shall have inquiry made, because if there is anything understood by the Department of National Defence it is that we have not much call on the agricultural community from now on as far as calling up men under the National Resources Mobilization Act is concerned.

Mr. CASTLEDEN: What is the policy of the various units with regard to granting requests for spring leave for farm work?

Mr. RALSTON: Just before I went west—that is three weeks ago—I received a communication from, I think, the president of the farmers' association of Saskatchewan representing that he thought it desirable that men have spring leave. I want hon. members to realize the situation. I am responsible for the maintenance and training, and operation if necessary, of the army in this country, and time is represented to us as flying fast. It is intimated in some quarters that we are not going fast enough. I considered that my responsibility as Minister of National Defence would not permit me to give any wholesale direction with regard to releasing men who have come into the army, who have been trained or are in training, possibly for an operational role. The air force are not being asked to do it; the navy are not, and I did not feel that the army ought to be asked to undertake that obligation. At the same time I took occasion in Regina both going and coming to see the district officer commanding and discuss the matter with him. He fully realizes the situation and has taken up personally with Judge Embury cases which he thought or which Judge Embury might think were cases in which leave should be granted, and these are being considered. I went so far, and so announced in the house, as to place in the hands of the board—which is separate from the Department of National Defence entirely, that is a board under the Department of National War Services, the power to say whether men should be relieved on compassionate grounds—that, of course, is the only ground on which these leaves could be granted—and we provided in the regulations that the district officer commanding would take the recommendation or decision of the board in those cases notwithstanding the fact that the man was in the army: the only exception being one which you would expect, that is, if military exigencies were such as to make that impossible. That has been done and been discussed by me personally with Brigadier Trudeau in Saskatchewan, and I think, as far as can be, the serious cases are being attended to.

But I do feel that members of the committee ought not to expect me, as head of

the Department of National Defence, endeavouring to mobilize, train and prepare an army for operation, to allow men in large numbers to go even for seeding operations. They are members of the army now; they had opportunity to apply for postponement; they did not, and I submit it is not fair at this time to ask that I simply issue a blanket order and say to the men, "Go home and do your seeding and then come back."

Mr. CASTLEDEN: I did not ask that; I merely asked a statement of policy.

Mr. RALSTON: It would completely disorganize the training. We have men going through this four months' training plan; we have men going out in the first month, the second, the third and the fourth; we are not using the training facilities to the limit. I want hon. members to put themselves in my place and realize that I have some responsibility and that we cannot make a general declaration, much as one would like to. There are a few units; we have listed them and sent the list to the district officers commanding depots, where we can give leave, and we are glad to do so as far as possible; but apart from that I cannot make any general declaration of policy which would allow the release of large numbers of men.

Mr. FRASER (Peterborough West): Reverting to men being called up, I do not think there is any objection as to the period between the time they are called and the time they have to report, but I think the objection is that the notice says they must have their application for postponement in within eight days, and sometimes they do not receive the notice until the eight days are up.

Mr. RALSTON: That is an objection I can understand. I shall be glad to take that up with my colleague the Minister of National War Services.

I have now the dates. I was too modest. But what my hon. friend says put another complexion on it, because if a man has only eight days in which to apply for postponement, the fact that the time he will have to report is a long way off does not make any difference. The next call is for May 15 and, after that, May 21, so we have actually three weeks before they report on the first call and four weeks for the next. But this eight days is something that I shall be glad to take up with the Minister of National War Services. I do not know whether it is set arbitrarily or not.

Mr. FRASER (Peterborough West): I understand it is on the notice.

An hon. MEMBER: Not all of them.

[Mr. Ralston.]

Mr. FRASER (Peterborough West): On all in our district, and I know of men who have not received the notice for ten or fifteen days.

Mr. RALSTON: Does it say eight days from the date of the notice, or from the receipt of it?

Mr. FRASER (Peterborough West): The date of the notice.

Mr. NICHOLSON: In connection with the point raised by the hon. member for Lake Centre, I think you have one group in a special category. Calls went out before the Prime Minister made his statement of change in policy; some men had been called and actually did report and they are now in the army. The Department of National War Services in Regina takes the position that these men are now out of their hands and that any decision must be made by the Department of National Defence. I have in mind a young man, the only male worker on a farm of three hundred acres, to seed a tractor operated farm, and I am advised that it is impossible to get anyone to operate the farm. This young man is in the army. I made representations to the national mobilization board in Regina, and they said that this man is now out of our hands; that he will have to make representation through the officer commanding. In the light of what the minister has now said, the officer commanding will now turn him back to the board and it will be too late for this young man to be back home in time for seeding. Could not something be done with this group that was called to report for service before the Prime Minister's statement was made?

Mr. RALSTON: That is, they had been actually called to report for service before March 23-24, but they were on March 23 or 24 of the class mentioned in the order in council?

Mr. NICHOLSON: Yes.

Mr. RALSTON: That has not been called to my attention before. I shall take it up at once.

Mr. GRAHAM: I can certainly appreciate the difficulty that the Minister of National Defence has in weighing the necessities of our war situation and the desire of the very important industry of farming to be maintained in the matter of man-power. I wish to express my sympathy with and support of the policy the minister is attempting to carry out so fairly, and with reasonable satisfaction. I think every Saskatchewan member would say that we have in that province a national war

service board which has independently and without any suggestion of unfairness or partiality administered duties which must, in some cases, be very difficult.

Mr. COLDWELL: We do not agree with that; in fact I thoroughly disagree with it.

Mr. GRAHAM: I must confess that my experience with the board, which is composed of Mr. Justice Embury, Mr. Bickerton, representing the Saskatchewan farmers, and Mr. Stewart of Yorkton, has been most satisfactory, and it has seemed to me that they are devoting close attention to each application and dealing with it in a fair, impartial manner. There is, however, one point which was brought out by the minister to-night and about which I should like to ask a question. He mentioned that he had a conversation with the officer commanding military district No. 12 at Regina, with regard to the spring leave which might be granted under certain circumstances to young farmers who have been called up for service. Was the same communication directed to the officers commanding other military districts in which Saskatchewan recruits may be now located? I have received letters from Saskatchewan boys who in the course of their training have been moved to British Columbia, Manitoba and Alberta, and I wondered whether the officers commanding those military districts had been instructed to give the same consideration to young Saskatchewan men applying to them for spring leave.

Mr. RALSTON: No, I do not think I have had any communication with any other district officer commanding. The reason why I had that communication with Brigadier Trudeau was because I had a telegram I think from Mr. Bickerton, whose name was mentioned by my hon. friend and who, I believe, is president of the Saskatchewan farmers. I had the telegram that very day; I had it up at army council, and I wanted to find out from him what the situation was. But I did not give Bragadier Trudeau any instructions; I do not want anyone misled in that connection. I asked him what the situation was, and he told me that Judge Embury and he were taking up certain cases of particular hardship. I felt that Brigadier Trudeau had been there a good while and knew conditions, and I believed that he would deal with them as fairly as possible, having regard to what he knew as to the necessities of the army.

Mr. COLDWELL: Since the hon. member for Swift Current has rather given the impression that Saskatchewan members have been quite satisfied with the operations of the Saskatchewan board, I just want to express my disagreement with that suggestion. I am not going to discuss it with the minister now, because it is not in his department; but when the Minister of National War Services is here, we shall probably have some questions to ask him as to the operations of that board. I would suggest to the Minister of National Defence that perhaps some of the difficulties which have arisen, such as those outlined by the hon. member for Lake Centre, may have come about as a result of the attitude and actions of that board; I do not know. I do know of other cases, however, in which not very much sympathy has been shown for people such as those described by the hon. member for Mackenzie a few moments ago. I am not going to say anything more about those cases now, but I would suggest that the minister discuss the record of the Saskatchewan board with his colleague the Minister of National War Services.

Mr. RALSTON: I think the best I can do there is to bring my hon. friend's remarks to the attention of my colleague.

A short time ago the hon. member for Lake Centre asked a question with regard to recruiting figures for the first three months of this year. I have already given the figure for the active army for January; it was 11,713. For February it was 8,152; for March, 8,821; and for April, up to the 18th, 7,060. Perhaps I should give all the figures while I am at it. For the navy the figures were 1,200 for January, 1,347 for February, and 2,175 for March. For the air force the figures were 5,774 for January, 3,104 for February, and 4,153 for March. That is something over 42,000 for the first three months, and there are also the 7,000 enlisted in the army this month up to the 18th.

Mr. DIEFENBAKER: Before the minister leaves that point, of those 42,000 how many were in the age group from twenty to twenty-three?

Mr. RALSTON: I am sorry but I have not the faintest idea, and I have no quick way of finding out. We would have to look at the attestation papers.

Mr. WHITE: In regard to the matter just under discussion, that of farm leave, I should like to know if I correctly understood the minister to say that soldiers now in the army, in the active and reserve forces, might obtain leave for farm work. If that is correct—

Mr. RALSTON: I do not want my hon. friend to continue on that assumption. That is not so.

Mr. WHITE: Is that not correct?

Mr. RALSTON: No.

Mr. WHITE: My reason for asking was this. I have had various cases brought to my attention, in which men in the active force found that their commanding officers refused to grant them farm leave. Therefore on April 11 I wrote the department, and under date of April 15 I received a reply from the deputy minister, in the last paragraph of which he states:

> The above procedure applies to active force soldiers, as well as those called out under the National Resources Mobilization Act.

The point I wish to bring to the attention of the minister is that there appears to be a great difference of opinion between various officers commanding as to whether or not a soldier in the active force can obtain this farm leave. The minister has just borne out that statement by saying that an active force soldier cannot obtain leave, while at the same time I have a letter from his deputy minister in which it is said that an active force soldier may obtain leave by complying with certain requirements. I should like to have the matter clarified, as to just what is the position, and if an active force soldier can obtain farm leave, what procedure must he follow in order to do so.

Mr. RALSTON: I thought I had made myself clear. I have not seen the letter of the deputy minister—

Mr. WHITE: I will send it to the minister.

Mr. RALSTON: The letter outlines the procedure only; it does not state that he can obtain leave.

Mr. WHITE: Yes; in the last paragraph it definitely states:

> The above procedure applies to active force soldiers, as well as those called out under the National Resources Mobilization Act.

Mr. RALSTON: There the deputy minister is saying that the procedure applies, just as I might say that a certain procedure applied whereby you might sue me for $10,000; but the question of whether you could recover would be another matter, and the question of whether I could pay would be still another. There I think the deputy minister is outlining the procedure, rather than indicating the action which may be taken as a result of that procedure being followed.

Let me make myself clear; I hope I have not confused the committee. An hon. member asked what was the policy of the department with respect to farm leave for men in the active force. I replied that I had taken the position that I could issue no general order or general direction with regard to granting farm leave. There is always the provision for compassionate leave. It may be that some individual cases may be so serious and so desperate that compassionate leave would be justified, and those circumstances have to be taken into consideration. But I would think there would be very few cases in which farm leave would be granted on that ground. If there are some, they would be dealt with by the board, as I have said, and the recommendation of the board would be accepted. But I do not think the board could at all find that there were compassionate grounds in those cases. That would be taking into consideration another matter altogether, namely the national interest. They find a man in the army, and they do not take him out on compassionate grounds because of the fact that he has to operate a farm.

Mr. WHITE: What does the minister mean by "compassionate grounds"?

Mr. RALSTON: That is a general term used in the army in connection with leave, and may cover half a dozen cases. Any case where there is no leave as of right, that is to say, no furlough, but where leave is granted on special grounds, we put them all together and call it "compassionate leave". There is no general policy that leave can be granted from the army for seeding purposes. Previously we have had harvest leave, in which a general blanket order was issued so that men could be given such harvest leave. Such and such a proportion of a unit might be given harvest or seeding leave. That does not apply now. It is only in the individual or in the exceptional case that it can apply, if I am going to do my job of carrying on the army.

Mr. WHITE: Do I understand clearly that men in the active forces cannot obtain farm leave?

Mr. RALSTON: Not as farm leave. But they might show certain conditions on their farms, or certain family matters which might entitle them to leave. That is to say, there might be one man on a farm, conditions might be desperate, and the people would not be able to get along without having their boy at home to work the farm or to put in the crop. That might come within the designation or category of compassionate leave. But that would not be given as farm leave; they are two different things.

My hon. friend knows that harvest leave was granted, on the ground that the completion of the harvest was more important than the army. That is not the situation to-day, as we see it in the department. Therefore we cannot grant farm leave as farm leave, and I have so said to Mr.

Bickerton in the telegram. The deputy minister tells my hon. friend that a soldier, if he is at a training centre, must make application in writing to his commanding officer. Such application will be entertained only during the first three months of his four months' training. But on completion of training and when dispatched to a unit he may apply at any time. Then the deputy minister goes on to speak about the evidence which must be given, and how the application is to be prepared. He says that is the way you go about making an application for leave. But he does not suggest that it is to be granted, simply because application is made.

Mr. WHITE: I might say I have the letter I wrote to the department, and I asked specifically for the department to advise whether or not this method of applying for farm leave applied to men in the active force. That is why the last paragraph is attached to this letter. Certainly, if one reads the two letters together, they could give only one impression, and that is that men in the active force could apply for farm leave in the same manner as men in the reserve force.

Mr. RALSTON: Let me put my hon. friend right, when he refers to applying in the same manner as men in the reserve force. By men in the reserve force he means men called up under the National Resources Mobilization Act?

Mr. WHITE: Yes.

Mr. RALSTON: The provision for application for leave for men called up under the National Resources Mobilization Act is not for farm leave as such; it is only compassionate leave. There is where my hon. friend is either misleading himself, or has been misled. There is no regulation anywhere whereby a man gets leave or where there is procedure to apply for leave for farming. It is for compassionate leave—for special cases. The deputy minister tells my hon. friend that exactly the same procedure applies with respect to the active forces.

Mr. WHITE: The statement was made by the Prime Minister some time ago, in March, that this was going to be a general regulation to help the farmers to meet a very serious shortage of labour. I never heard the word "compassionate" used before in connection with farm leave. My interpretation of "compassionate leave" was one arising out of a death in a family, an accident, or something like that. Then, under those circumstances, the term "compassionate leave" was used. But for the first time to-night I hear the minister using the term "compassionate leave" as meaning permission to get home to work on the farm. I consider that an entirely wrong interpretation of "compassionate leave," as it has always been understood in the army. After what the Prime Minister said, I for one assumed there would be a general policy whereby soldiers of the reserve and active forces could now apply for leave to work on farms.

Mr. RALSTON: And from the air force, too, my hon. friend would have to say.

Mr. WHITE: Yes. I have a case where a man has got out of the air force, under the same conditions.

Mr. RALSTON: I want to say to my hon. friend that he and the hon. member for Lake Centre are the first two I have ever heard say that the Prime Minister said anything about leave to men already in the army. What the Prime Minister spoke about was what we might do from this time on. We took March 23 as the date because it goes back so that men could not change their positions in order to be affected by that order. The Prime Minister took that date, and he said that from that time we will say that if the Minister of National War Services wants those men, under the National Resources Mobilization Act, he has to show affirmatively that they are not essential to agriculture, provided they have been wholly or mainly engaged in agriculture on that date. But if my hon. friend or the hon. member for Lake Centre has a statement by the Prime Minister where the Prime Minister said that leave was to be granted from the army for men to go on farm leave, I should like to see it.

Mr. WHITE: Would the minister deny that a great many applications have been made since March 23, or a great many in March, for men to obtain farm leave, and that a great many have been granted?

Mr. RALSTON: I have said that I have no idea of a single case having been granted. I have said, too, that Mr. Bickerton, the president of a farm group in Saskatchewan, is the only one whose communication has come to my attention, and he very forcefully applied on behalf of a large number of men. He indicated that some general order should be made, and I had to decline to comply with his suggestion. I do not know of any individual case; there may have been individual cases granted, but they have been granted under the compassionate leave provision, and not under a provision for farm

leave. I say that is so, unless they have been men in depots. As to those men we have made special regulations, and those regulations have gone out to all the districts. But there is no provision in the Department of National Defence for farm leave, and no application has been granted on the ground of application for farm leave.

Mr. WHITE: Would the minister say there is any difference made in these applications for farm leave whether a man is in the active force or in the reserve force?

Mr. RALSTON: Any difference?

Mr. WHITE: Yes.

Mr. RALSTON: I do not think there is any difference.

Mr. WHITE: Would the board give the same consideration to an active force man as to a reserve force man?

Mr. RALSTON: Remember, this is a board—and it is not my board.

Mr. WHITE: I understand that.

Mr. RALSTON: I say I cannot tell my hon. friend that, but I would assume that exactly the same considerations would apply.

Mr. DIEFENBAKER: Did I understand the minister to say that he now interprets the Prime Minister's statement to mean that it was to apply only to men called after March 24? If that be so, this whole principle is inequitable and discriminatory. The very point made by the hon. member for Mackenzie then comes into clear view. Here I have before me letters from men, each of whom is on the farm, and in several places the only help besides their aged fathers. The answer given to these men called for April 9 is that nothing can be done.

Mr. RALSTON: I said about those cases that if they were men who were in farming occupations wholly or mainly, I would take the matter up. I did not know about that group of men at all, and I do not think my hon. friend need concern himself with making a case about them. I do not know what I can have done, if anything; but I will certainly look into the matter of these men, to see if they were wholly or mainly engaged in agriculture on March 24.

Mr. DIEFENBAKER: That is the point. One man I have in mind was wholly or entirely engaged on the farm; he was the only male on that farm. These boys have been called up, and nothing is being done about their cases.

Mr. RALSTON: I can assure my hon. friend that this is the first time it has been called to my attention.

[Mr. Ralston.]

Mr. DIEFENBAKER: I am sure the minister will now admit there was good reason to raise the point.

Mr. RALSTON: Oh, I have been too long in the house to make admissions without looking into cases.

Mr. DIEFENBAKER: Yes, but it is equally wrong for the minister to say that since these men were called up prior to March 24, therefore the promise of the Prime Minister does not apply to them. As a matter of fact, the promise of the Prime Minister was based upon the needs of agriculture, not upon the time that the men were called up.

Mr. RALSTON: Oh, yes, there had to be a time.

Mr. DIEFENBAKER: As long as we are perfectly clear that a man called up before March 24 does not come under the statement of policy set out by the Prime Minister, there is no further objection to it.

Mr. RALSTON: I say there is a point to be argued there. The man was called up before. He was wholly or mainly engaged in agriculture, and he comes in after. I should be glad to look into that class of case, because it comes in that period while the order in council was coming into effect.

Mr. CRUICKSHANK: Is it the intention of the government not to pay dependents' allowances? I ask the question because in an address last night over the radio the hon. member for Lethbridge intimated to the people of Canada, and particularly to the mothers of Canada, that the reason for asking for an affirmative vote on the plebiscite was that the government was going to stop paying dependents' allowances. I do not know what he could possibly hope to contribute by that to the national defence of Canada or to its welfare or anything else. I should like to quote a passage from his radio address, and I should like the minister to answer it, not for my benefit, but for the benefit particularly of the mothers of the men who are serving in the army and the mothers of the young men we want to join the army in the future. Here is this one sentence and I quote:

> Without any explanation an affirmative vote on the question as it is worded could mean that the people are in favour of releasing the government from that kind of obligation.

I think it very important that the minister make it quite clear that no such thing was ever intended.

Mr. RALSTON: What kind of obligation?

Mr. CRUICKSHANK: Paying the dependents' allowance.

Mr. RALSTON: Would my hon. friend just read something that indicates that. He has not put enough on the record.

Mr. CRUICKSHANK: I am rather ashamed to read it.

Mr. RALSTON: I mean just the reference to dependents' allowance.

Mr. CRUICKSHANK: It is rather difficult to pick it out. I am not used to reading such stuff as this.

Mr. RALSTON: If the hon. member wants me to deny it, I want to see what I am denying.

Mr. CRUICKSHANK: I want the minister to deny that it is the intention of the government, under an affirmative vote for the plebiscite or any other vote or for any reason, to cease paying the dependents' allowance. The hon. member insinuated, according to the radio report as I read it and as many people in Canada heard it, that it is the intention of the government, in seeking an affirmative vote on the plebiscite, to cease paying the dependents' allowance. It is unfortunate that some members, who apparently have not a proper sense of responsibility, should have the privilege of broadcasting from one end of Canada to the other a statement like that, which may do great harm to the defence of Canada. I think it is the duty of the Minister of National Defence to assure the mothers of our soldiers that, irrespective of anything which may be said in language such as that used by the hon. member for Lethbridge with respect to holding the plebiscite, the government and we as a parliament are going to continue to pay the dependents' allowance. I think it is the duty of the minister to make that clear, and to assure the people of Canada that in giving an affirmative vote on the plebiscite, which the Prime Minister, the leader of the Conservative party and the leader of the Cooperative Commonwealth Federation asked for in a straight-forward, manly way, they are not in any way endangering the dependents' allowance.

Mr. RALSTON: I can say to my hon. friend and for the benefit of the committee that if any such statement were made, it is wholly inaccurate. There is not the slightest intention in the world of the government's discontinuing the dependents' allowance for mothers or wives or any others for whom dependents' allowance is provided.

Mr. BLACKMORE: I rise to a question of privilege, Mr. Chairman. After the distortion of my speech which the hon. member for Fraser Valley has given, I think it is his duty to read enough of the speech to make clear the reference of the words which he quoted. No wonder he does not want to read any more which would make clear what the meaning was!

The CHAIRMAN: I would point out that we are not discussing the plebiscite. That whole matter was out of order. As to the question which was put to the minister to ascertain the government's intention with respect to the dependents' allowance, I do not think the hon. member for Fraser Valley is called upon to read any part of the radio speech to substantiate his question. His question has been answered, and I would point out that an argument should not develop with respect to the plebiscite.

Mr. BLACKMORE: But, Mr. Chairman, a remark like that appears in *Hansard* and stands there opposite a man's name for generations. The hon. member for Fraser Valley has put on *Hansard* a remark which is a reflection on me.

The CHAIRMAN: It is the privilege of the hon. member, if he thinks he has been misquoted, to make a correction. If he has not been misquoted, there is no point of order.

Mr. BLACKMORE: The hon. member for Fraser Valley certainly gave a distorted version of what I said. Never a word did I utter that had any such meaning as he attempted to convey. He must have listened to the speech with a very hectic mind.

Mr. MacNICOL: Better give it again.

Mr. DIEFENBAKER: There is one further question I asked of the minister, namely, the enlistments in the reserve army from January to the present day.

Mr. RALSTON: Somebody else asked me that question last night, and I am sorry I have not the figures here. I intended to give them. I gave the figures up to April 9, I think it was. Perhaps I can get the other figures before the house adjourns.

Mr. DIEFENBAKER: The minister gave the numbers who had enlisted voluntarily between January and April 18, and roughly the enlistments in the army amount to about 7,000 a month.

Mr. RALSTON: My hon. friend is wrong about that. It was 28,000 for the three months.

Mr. DIEFENBAKER: It was 4,713 for January.

Mr. RALSTON: No, 11,713.

Mr. DIEFENBAKER: I beg pardon. That would be approximately 10,000 a month.

Mr. RALSTON: It was 28,919 for the three months; for January, 11,713; February, 8,385; and March, 8,821.

Mr. DIEFENBAKER: Should the voluntary enlistments continue at the rate prevailing since January, would there be sufficient to meet the present needs of the army and the anticipated needs during the present year?

Mr. RALSTON: That is my advice. I think I intimated when I spoke in February that my advice was that if enlistments were maintained within a reasonable distance, I think I said, of that level, we would be able to take care of our commitments.

Mr. WHITE: When the minister is giving the figures for the men in the reserve army, would he at the same time give the number of men who have been called up for training under the National Resources Mobilization Act?

Mr. RALSTON: I think I have given that.

Mr. WHITE: The reason why I ask is this. I have in my hand a return brought down by the Department of National War Services, dated April 20, 1942, according to which the number of men called up since the four months training period came into effect was 44,846. That seems a very small number for fourteen months, and I wonder whether it is correct or not.

Mr. RALSTON: Is that given by months?

Mr. WHITE: No; it is just the total number.

Mr. RALSTON: I have no break-down here of the figure, but I would think that is about correct. For how many months was it?

Mr. WHITE: My question was asked in the house on February 25, 1942, and I am quoting from the return that was brought down by the Department of National War Services, which shows, in answer to my question, that the number of new men called for the four months and accepted at national defence basic training centres was 33,955, and the number of 30-day men recalled for national defence, for further service, was 10,891, making a total of 44,846.

Mr. RALSTON: I think that is right.

Mr. WHITE: When the minister is bringing that information down, or perhaps at the present time, could he tell the committee what forces in Canada make up what is called the reserve army, or the reserve force, in addition to these 44,846 men? I believe there is a certain amount of confusion as to what makes up the reserve army.

Mr. RALSTON: My hon. friend does want me to give the list of the reserve units?

Mr. WHITE: No—just the two or three categories which make up what is called the reserve army.

Mr. STOKES: I should like to ask the minister whether I am correctly informed with regard to the extending of a military property at Barriefield. At the eastern side is a valuable property which produces large quantities of apples, and on which there is a good dwelling; probably the west side is uncultivated land. I am informed just to-day that it is the intention of the department to expropriate the land to the east, and not the property to the west, which might be taken without putting any good, producing land out of production. As the latter property is vacant land, and the other property has produced in the last few years large crops of merchantable apples, I should be glad if the minister would look into the matter.

Mr. RALSTON: If I had not looked into it already, I could quickly get rid of the question by saying that I would do so. I can, however, assure my hon. friend that I have looked into it. I had a senior officer of the department with me for over two hours, looking over the map; I have had the real estate people and the engineers down there; I went to the trouble of telephoning the real estate adviser who was in Toronto; I have talked to Mr. Harvey, who owns the land; and we have come to the conclusion that this property is necessary to the development of the training centre which we are building. We realize it looks peculiar to be taking an apple orchard for use as a training centre; but we have examined the cost of developing any other site to which we have been referred, and we find that, apple orchard and all, the cost will be considerably less than if we took another property. Further, the property just to the west is rough ground which cannot be used so advantageously. It would make a very poor location indeed for a camp. The ground across the road is the ordnance training centre, which will be extended, and our only way of extension is toward the east. The development we propose has already grown three times greater than was originally planned, and we expect that it will grow even more. I have not myself looked at the ground, but I have examined its location on

the map and have seen the people who have to do with it in the department. I am advised that there is not a chance of making a reasonable job of extending the camp, providing the necessary room for expansion, and at the same time providing a training ground, without taking that property.

Another property there, known as the Cartwright property, has been offered to us more than once. Though I am not crying down that property at all, it, too, is rough ground; my hon. friend probably knows it much better than I do. It does not seem to be suitable for camp ground. We estimated that the cost of putting in the services and building a camp there would be greater than the additional cost involved in the purchase of the property my hon. friend has in mind, putting a camp there, and having room for development in the future. For better or worse I have passed the project. I have advised Mr. Harvey, and I think he understands the situation. I believe he would have preferred to keep the farm because he has just bought it, but what we regard as the paramount interests of the service made it necessary that we should take it.

Mr. MacINNIS: Could the minister give the committee a break-down of the figure of 44,846 men who were called up under the National Resources Mobilization Act; that is, how many of these have gone into the active forces, how many are now on home defence, how many have gone into the reserve army, and how many, after finishing their period of training, have returned to civil life?

Mr. RALSTON: I have that information here. The important thing which my hon. friend wants is, I think, the percentage of active enlistments, and I am sorry I do not have it for all the services. I can tell him that the percentage of active enlistments of those called up to report from March 20, 1941, to October 2, 1941, was 36 per cent. That is, 36 per cent of those accepted enlisted in the active army, the air force or the navy. I have not a break-down of percentages as between the three services; but, roughly speaking, the division is 25 per cent for the army, 10 per cent for the air force, one per cent for the navy; that is, of active enlistments.

My hon. friend asked me how many had returned to civil life. Of course he realizes that, of those who have been called up, none have been returned to civil life unless they were discharged on account of being medically unfit or something of that kind, because they were all called up for service. If my hon. friend wants the information, by tracing through the record of each individual I could tell him to which units they have gone after they have come from the training schools, but I do not believe he would ask me to do that.

The chief of the general staff reminds me that my hon. friend also asked how many went into the reserve army. None of these would go into the reserve army; all would be called up and be on full-time service.

Mr. DIEFENBAKER: The minister gave a statement of enlistments from January on in the active army; would he also give us the number discharged during the same period?

Mr. RALSTON: I have not that here.

Mr. GREEN: During the last two days there has been some discussion about the reserve army, and perhaps this house might be of considerable assistance to the reserve army at this time. They have fallen upon better days at long last. As the minister explained yesterday, about three weeks ago a director-general of the reserve army was appointed in the person of Major-General Browne. I think General Browne gave the picture quite clearly when he was quoted as saying at that time:

> "The reserve force may have to fight and it must be ready to fight as soon as possible," he said.
>
> "After all, there is no more war overseas than there is here now, and we may have some here sooner than they have, in view of the threats to our coast."

In other words, as I see it, the reserve army has now been given its proper role, the defence of Canada in the event of an attempted invasion. General Browne has also been quoted as saying that he hoped the reserve army would be recruited to a strength of at least 150,000 men. Yesterday the minister told us, as reported on page 1861 of *Hansard,* that as of April 9 the strength was 71,737 men in reserve units, 5,062 men called up under the National Resources Mobilization Act and 1,523 men employed on training centre staffs. This gives a total of a little over 80,000 men.

There has been some talk to-night about the men called up under the National Resources Mobilization Act; but as I understand it, apart from the 5,000 odd, they have become part of the active force although they are only for service in Canada. The men called up under the National Resources Mobilization Act do not become part of the reserve army as it was described by the minister last night.

Mr. RALSTON: The only National Resources Mobilization Act men who are part of the reserve force are about 60,000 men, the 30-day men who have not been recalled.

Mr. GREEN: The 60,000 men to whom the minister now refers are men who took the 30-day course last year and who have now gone back to civilian life. They are merely names on the walls of the different armouries across Canada.

Mr. RALSTON: It depends on the unit, really.

Mr. GREEN: Generally speaking, I think my statement is correct. The 80,000 men who now compose our reserve army are largely men who have enlisted for the defence of Canada. They are not in the younger age groups, being mostly over 35 years of age. There has been some complaint that men are not rushing to enlist in this reserve army, and it is in that connection that I think the house could be of great help. When I was in Vancouver during the Easter recess I found that many men had the impression that if they joined the reserve army, they might be sent off to guard a railway somewhere and kept there for months. That made it impossible for them to enlist. They were perfectly willing to serve in an emergency; they were prepared to train and fight if the country were invaded, but they simply could not give up their businesses and their families and go away to do guard duty. In other words, the feeling was that they should be used for an emergency. I believe that it is the intention of the Department of National Defence that these men should be trained and will be used only if there is an emergency of that type. I feel perfectly confident that if the minister will announce that to be the case; if he will say that this reserve army is to defend the homes of Canada in the event of an invasion; that that is the purpose for which he is calling for recruits for the reserve army, he will be surprised at the response he will receive. Members of the house could help a great deal by spreading this news throughout their ridings. In that way we could help a great deal in the recruiting of this reserve army.

Conditions in Vancouver with regard to the reserve army have improved greatly within the last few days. For example, the night I left home there was a parade of the reserve brigade. I believe that this was extremely impressive and that many men made application to join after the parade. Another thing that was done was to have all the officers and men in the reserve units wear their uniforms to work, whether that was delivering milk, in a store or in an office. The idea was to impress the general public with the fact that the reserve force was really worth while and that there were excellent citizens serving in that force. I think the result will be to increase enlistments. Therefore I suggest to the minister that he make a statement to-night to the effect that the reserve army is to defend the homes of Canada; that that is the purpose for which it is being raised.

I have another suggestion to make. I think consideration should be given to changing the present rule with regard to the enlistment of married men. Until a day or two before we left here in March the reserve army was not allowed to recruit married men under thirty-five years of age. Then the minister announced a change and said that men from thirty to thirty-five years could be recruited in the reserve army. There are many younger married men who cannot join the reserve force at the present time and yet who are not subject to call under the National Resources Mobilization Act. As the committee knows, that act applies as yet only to single men and widowers without children up to the age of thirty years. Married men may not be called for a matter of months or perhaps even a longer period.

I realize that the idea in not allowing them to enlist in the reserve army was that this might push them into the active force by the back-door. The hope was that, not being able to join the reserve army and not wishing to be still in civilian clothes, they would join the active force. I think the time has gone by when methods of that type should be used. These young married men should be allowed to go into the reserve force at this time. Physically they are the best group we could get into the reserve force. They are entitled to have training to be able to defend their homes and families just as much as the men over thirty years of age. Even though they are eventually to be taken into the active force under the National Resources Mobilization Act, or go in voluntarily, they should be given the chance to get training in the meantime. It would be of great advantage to them, and I believe that under the regulations as they stand at the present time they could still be called up for service in the active force even though they had enlisted in the reserve force. If I am wrong, perhaps the minister will correct me.

Mr. RALSTON: That is right.

Mr. GREEN: That is the position at the present time. There could be no question that they were sheltering from the active force by joining the reserve force.

Mr. RALSTON: They would not be "sheltered", to use my friend's word, from being called up, but they would be sheltered in this way, that they would be in the reserve

army and perhaps would not feel the same urge to join the active army. I am interrupting my hon. friend, but let me say that this rule with regard to age limit did not come from the Department of National Defence; it was made on a suggestion to me personally by officers of the reserve army, who felt that the reserve army was being used, in some cases that they knew about, as a place where men went and felt that they were doing their full duty. It was the view of those officers that the reserve army was not intended for that purpose and that it was not quite fair to them in the reserve army to have that situation existing. I do not think it was some invention by someone who wanted to see that everyone was forced into the active force.

Mr. GREEN: I have had suggestions to the opposite effect made to me by officers of reserve units. Perhaps the viewpoint is changing a little as time goes on. There is a need to fill up these reserve units without further delay. I throw out the suggestion that the minister consider the position again, and if he does not wish to allow all married men in, he should at least allow men in, say from twenty-five to thirty years of age.

Another suggestion is that consideration be given to appealing to men in war industries to join these reserve units. For example, on the Pacific coast the role of the reserve brigade is of vital importance in the event of attack. It seems to me that the men who are working in war industries might be very badly needed in the reserve brigade should an emergency arise. I suggest that an appeal be made even to men in war industries to give up two nights a week and perhaps some time at the week-end in order that they may get at least some military training.

Then I think the department cannot be too careful to see that these reserve brigades are given at least enough equipment of all types with which to do some training. There has been that difficulty that men have joined these reserve units, found that there was no equipment and then became disgusted and left. There is a new enthusiasm now growing up, and I think this is the time to see to it that they get some at least of every type of the equipment with which they would be equipped were they fighting. They are all very keen; they have all had considerable experience in civilian life, and they are particularly interested in the new types of equipment and the more advanced training. I suggest that the department treat them with that condition in mind.

Mr. RALSTON: I appreciate the spirit in which my hon. friend approaches this matter and the interest he has taken. I think every point he has made has been made at these meetings of reserve officers which I have attended. The suggestion he makes with regard to some declaration respecting a limited role for the reserve army—I put it in that way—was made to me in Vancouver. It has not been made to me anywhere else. I do not say that by way of reflection at all.

Mr. GREEN: I think the reserve is more badly needed there.

Mr. RALSTON: Three very responsible officers came to see me about the matter and left me a memorandum, and it has troubled me considerably. But I say frankly that I am a little cautious about undertaking any obligations with regard to methods of using troops, particularly in view of the situation which faces us in this country to-day and the fact that we are having a plebiscite on a statement of that kind made some time ago. I want to be just as fair as I can and to encourage enlistment in the reserve army; but I do not want someone coming to me and saying, "You gave us a pledge or an assurance that we would not be used elsewhere than in our home community, and now you are taking us somewhere else." I heard my hon. friend say, "except in an emergency" which, of course, is an elastic phrase. But I have not shut the door on the idea. The reserve army has a place in the Militia Act, and everyone knows what the duties are. People should join the reserve army with the realization of the full implications of that duty, whatever they may be. I feel that they can join the reserve army with some confidence that they will not be called on unduly, but for me to say under just what conditions they will be used and under what conditions they will not be used, is something I hesitate to do.

A statement was prepared which I was asked if I would sign. It was prepared in a most careful way. The gentleman sought to make it as easy as possible for me to make that statement. It did not tie one down very much, but it was to give the impression at least that the reserve army would not be used outside the particular community or area in which it was mobilized.

Mr. GREEN: May I interrupt to point out that I carefully avoided saying that they should not be used in other than their own communities. I said, to defend the homes of Canada; if the Atlantic or the Pacific coast were attacked, it would be understood that men from Ontario or Quebec would go, and I am sure they would do so gladly, to fight on either coast. But I mean, for example,

that they should not be taken and put on full-time guard duty or be sent outside Canada.

Mr. RALSTON: I have my hon. friend's representations. They are along the lines of representations I have received and they are being considered. The committee will understand my reluctance when I say that there is a specific place for the reserve army, and whether one should say anything indicating a limitation of its duties is something which should receive a good deal of consideration. Of course there is less consideration required when my hon. friend suggests that taking in men twenty-five to thirty-five—

Mr. GREEN: Married men.

Mr. RALSTON: One of the arguments which might be put forward for indicating a possible modification of the duties of the reserve army would be that the men were between thirty-five and fifty; but when you say, "no, we are going to put in men twenty-five to thirty-five and give them assurance that they are not going on coast defence duty or guard duty," that makes it more difficult. The suggestion was made at Halifax as to the age limit, and I told the officers there frankly that I could not agree to that alteration in the age limit.

My hon. friend mentioned another point with which I am particularly concerned; that is, men in war industries. I thoroughly agree, I think he has the right point of view, the point of view I tried to express yesterday. A man has the satisfaction of working at a lathe in a war industry, he feels he is doing a good job for the country, but his conscience is bothering him a bit as to whether or not he should be in uniform. The reserve army gives him an opportunity to work at his lathe and to turn out in uniform and be ready to do other duty if necessary. It seems to me that has an attraction for many of our citizens who want to do their duty; it gives them two chances instead of one.

I feel also that the appeal should not be only to war industry workers, but in some cases to employers, not only in war industry but in others as well. I have found a case or two, one in particular, in which I remember a man writing to me reporting that a man had refused to give him employment if he went into the reserve army. That came up at a conference, and I have taken it up directly with the firm concerned.

I do want to say generally that when my hon. friend speaks about war industries and workers in those industries, I feel that we should and I believe we can enlist the interest of the employers, who will not discourage but will rather encourage their men, though they are doing good work where they are in connection with the production of munitions, to give at least two or three of their evenings to do this very important part of our war activity. I propose to do that at a very early date, and I appreciate the suggestion of my hon. friend that members of the House of Commons should do the same thing. I would ask them sincerely to join in influencing the people around them to do this. There is nothing formal about this work in connection with the reserve army. It is a real job; it is going to take some time, and perhaps occasionally it is going to be grim. I often think that people would far rather do without some ration of gasoline, do without tires and pay more taxes, but that time and particularly comfort are two things we find it hard to sacrifice. The reserve army does cut into comfort; there is no doubt about that. It does not leave men free in the evenings; they cannot play bridge or go out to entertainments, or anything like that, after a hard day's work. But this is something we have to do if we are going to win this war.

Mr. GREEN: What about equipment?

Mr. RALSTON: I can only say to the committee that I have dealt with that matter at every place we have gone. General Browne and the master-general of the ordnance have gone over the equipment situation thoroughly with the chief of the general staff. As I indicated yesterday, some priority will be given in connection with equipment. I can only say that the last bit of equipment that is available for the reserve army will be given to them; but that must always have regard to the necessities on the active fronts, as everyone understands. Someone said to me in Saint John, "You do not need to worry about equipment. You tell us that you will give us all that is available, and we will not expect anything more." Of course they cannot expect anything more, but we will try to make available everything possible, having regard to the needs of the active forces. Production certainly is increasing; there are some particular items in which the reserve army will, I think, be better served than ever before. I am sure we are not making any false moves in connection with this matter. We are asking the reserve army to improvise to some extent, as it always has done; to put up with one piece of equipment where it would like to have two or three. I believe we can make a success of this movement, which will make a splendid second line in connection with the defence of this country, should the worst come.

Mr. WHITE: A few moments ago the minister said he would bring down a return in connection with the reserve army. When he does so, would he be good enough to break down that return as between infantry, rifle, machine gun, tank, artillery and so on?

I was pleased to hear the minister say a moment ago that at last the reserve army had a real job to do, and would be recognized to a greater extent. The minister mentioned the eleven brigades that have been set up for the reserve army. Those, however, will accommodate only about one-third of the reserve force units. I fear that perhaps the minister is forgetting those other, orphan battalions and units which will not be included in these brigades. They are located in small cities and towns; in fact, some battalions are decentralized and split up between perhaps three, four or five different places. I think the minister will admit that in the days gone by, the reserve army supplied a great many instructors and men to the active force. At the present time one of the great difficulties in the reserve army is that they sadly lack qualified officers and non-commissioned officers for instructional purposes. The minister said yesterday that about a thousand officers and men had returned from England to act as instructors in Canada. I would ask if at least some of those instructors could not be allotted to various reserve force units.

Another point I should like to bring to the attention of the minister is that when a reserve force unit covers perhaps one or two communities, very often there is a distance of from fifty to a hundred miles between battalion headquarters and some of the company headquarters, and in attempting to carry on training there is that age-old difficulty of who is to pay the travelling expenses of the officers, non-commissioned officers and men who come to company headquarters to carry on drill at night, or to take part in week-end manoeuvres. I am sure this question has been a headache to the department in days past, but it is most important to the men, who are paid only a matter of some sixty cents for one night's drill. If they have to use their own cars and gasoline and oil in order to come to headquarters for training, I believe some plan should be worked out under which these men might be reimbursed in some way for their travelling expenses. I should like also to point out to the minister that now the question of gasoline is going to be of vital importance. Many of these men have to travel fifteen or twenty miles in order to take their training, and I believe they should receive some consideration in connection with their gasoline allowance.

I was pleased to hear the minister state that every possible consideration will be given to the reserve force units in the allotment of equipment. I am sure the minister will agree when I say that nothing discourages the average recruit so much as to carry on continually with parade ground drill and lectures, with perhaps only an old Lewis gun for training. Naturally these young men are greatly interested in the newer forms of automatic weapons; and if the minister could give two or three or four of these newer weapons to each reserve force unit, I am sure that in itself would create a great deal of interest and assist materially in the recruiting of new men. Perhaps the minister might be able to tell the committee in some detail just what equipment he hopes to be able to furnish to the reserve force units. The minister shakes his head. He will realize, I am sure, that at present the average member of a reserve force unit has a rifle and a bayonet, and that is about all, with perhaps one or two old Lewis guns for the whole unit. If they could be assured that they would be given some of these newer weapons, or if they could be told in some detail what they may hope to get, it would be of great help in bringing in new men.

Mr. RALSTON: I do not think I can say anything more than I have said already with regard to equipment. General Browne has had a full discussion with the chief of the general staff and with the master-general of the ordnance with regard to equipment. He knows the forecasts of production and the forecasts of needs. I may tell my hon. friend that I think we have been very frank with the reserve officers in telling them the situation, not in general terms but in some detail, giving some figures, endeavouring not only to have them realize the situation but to learn what they may expect.

With regard to the units which are not in the reserve brigade groups, I must admit that they will be on a lower scale than the reserve brigade groups. I am not forgetting them, by any means; I have not been allowed to forget them at the last three meetings I have attended. I am going to Montreal on Friday evening to attend another meeting in this connection, and I am sure that my hon. friend or someone representing his unit will be at a meeting which I believe is to be held in Toronto very shortly. All I can say is that they are

not being forgotten by any means. They are regarded as part of the reserve army, but I do say that for tactical and operational purposes we feel it necessary to get these reserve brigade groups going first, a little in advance of the other units. It is not that the other units will not be training, but they probably will not have the same scale of equipment. The gasoline question is being taken up now with the oil controller. The point was made, as my hon. friend has made it, that men, and particularly the officers, are long distances away in rural communities, and it is hard on them, in view of the small gas ration, to have to attend these exercises, manoeuvres and parades.

With regard to the matter of allowances for expenses, may I say that that suggestion has not been made before. All I can say is that it rises in connection with the work of the reserve army. I do not think there is anything more that I can say that will be of use except to say that, as my hon. friend would, no doubt, anticipate, the points he has raised have been made by some of the officers in the meetings we have been holding. In fact, the chief of general staff just said to me a moment ago that one might almost think we were at a meeting of the reserve army command, because all the points my hon. friend has brought up have been talked out there.

Mr. WHITE: What would be done about the payment of travelling expenses? The minister knows the great trouble there has been about it.

Mr. RALSTON: That has not been brought up before, but I shall take it up. That is a new point, and I may say to my hon. friend that he is entitled to credit for having brought it up for the first time. However, the matter of gasoline has been discussed frequently. There is another matter he has not brought up, and that is the matter of increasing the administrative staff. That, however, has really not anything to do with expenses. He is speaking more particularly of those units which are in isolated districts.

Mr. WHITE: The minister knows that in the past there has been a certain amount of confusion and a great deal of diffidence about the payment of travelling expenses. Troops have been led to believe that if they came to training, they would be paid their travelling expenses. Perhaps it was a misunderstanding. They were, however, later advised that their travelling expenses would not be paid. In order that that condition may not arise again, could the minister give some clear-cut statement through the district officers commanding regarding these travelling expenses? If so, I am sure it would eliminate a great deal of grief which falls on the company commanders and the junior officers, and it would remove one of the great stumbling-blocks.

Mr. RALSTON: Would my hon. friend elaborate his point? Has he in mind the expenses of officers coming to the armouries, or to the central places for purposes of attending parades?

Mr. WHITE: No; they are paid.

Mr. RALSTON: The administrative officer is paid.

Mr. WHITE: Yes; I know that. I am speaking of the ordinary private or non-commissioned officer whose company headquarters is in a small village or town or city. Many of those boys have to travel from ten to twelve miles. It is quite true that a number of them may come in one car, but when they come two nights a week for many weeks it runs up to quite a total. There has been great grief in many places, because they were under the impression they were going to be paid. But after they have travelled for weeks they are suddenly advised that they are not to be paid.

Mr. RALSTON: Were they ever paid? Have expenses of that kind ever been paid?

Mr. WHITE: In my own unit a great deal of dissatisfaction was caused. I do not know whether it received special consideration or not, but they were paid.

Mr. RALSTON: Were they paid by the government or was the pay pooled?

Mr. WHITE: The cheques came from the government, and then there was some further adjustment through battalion funds.

Mr. RALSTON: Was it considered as reimbursement for mileage? Was it so much per mile?

Mr. WHITE: It was just put down to travelling, on the usual mileage basis. I should like to impress upon the minister most strenuously that that is one of the greatest detriments to reserve force units recruiting in rural districts. If he will see that instructions are issued to district officers commanding so that there may be no further misunderstanding, and so that some reasonable allowance may be made, I am sure he will find there will be many more recruits.

Mr. HAZEN: Have any reports or complaints been received by the minister's department about excessive drinking among the troops in Canada? If such complaints have been received, has any action been taken? Has any investigation been held or any report

made; and, if a report has been made to the minister by any investigating committee, would the minister care to say what it was? Does his department intend to take action? I have been prompted to make these inquiries by reason of statements appearing from time to time in the press.

Mr. RALSTON: My hon. friend has me completely in the dark. Naturally, from time to time one receives statements about this or that occurrence which may happen on a train, or somewhere else. But no definite complaint has been made to me, and so far as I can recall, no report has come to me with respect to excessive drinking generally amongst the troops. I have in mind two or three instances of, shall I say, parties which have been called to my attention, and with respect to which action has been taken. I have also in mind complaints made with regard to men on the trains. I had hoped that the lack of reports in the past winter might indicate a very considerable improvement. The provost service is very much strengthened, and I know that Colonel Piuze and Major Goad are doing a good job. But if my hon. friend has anything further in mind, I would ask him not to hesitate to say so.

Mr. HAZEN: I have no individual cases or parties in mind. I have been prompted to to ask the questions by reason of certain articles appearing in the press from time to time, arising from meetings of certain organizations which have passed resolutions. I was wondering whether anything had been brought to the minister's attention, and if any action had been taken.

Mr. NICHOLSON: A similar resolution was debated a year ago, and at that time the minister placed on record his estimate of what the expenditures would be in the year 1941-42. Could he tell us what a similar estimate would be for 1942-43.

Mr. RALSTON: I gave the figures a few nights ago; perhaps my hon. friend has not seen them. I gave the break-down of a total of $997,000,000, divided into various functions and objects of expenditure. I believe I said at that time that the expenditure of that amount depended on deliveries and on operations. Having regard to some forecasts which we have received, and some forecasts we hope might be fulfilled, I believe it might be possible that deliveries would be such that expenditures would be considerably more than that. Judging by deliveries last year, and by the acceleration there has been, the amount has been placed at $997,000,000, with possibly more to follow if deliveries are greater than expected, or if the operations use up the materials faster than is anticipated.

Mr. NICHOLSON: A year ago the minister said the expenditures would be $666,000,000. Can he say whether the expenditures were more or less than that amount?

Mr. RALSTON: Up to the end of the fiscal year they will run close to $600,000,000. In other words, it is $66,000,000 less than the estimated amount.

Mr. BOUCHER: While we are in this part of the discussion, would the minister feel it advantageous to the committee to make some observations by way of explanation relative to the allocation of various men in the army? There are many cases which might be taken into consideration, and concerning which the public might be enlightened. For instance, about a month ago we had a report to the effect that 150 senior officers overseas, in England, were being replaced by younger men. Those officers were giving up their rank, and coming back to Canada. Could we have an explanation as to what use has been made of those officers in Canada? We have the case where officers, non-commissioned officers and lower rank are being brought from England to take special courses in connection with officers' training corps instruction in Canada. What particular use is the government going to make of those men? Are they going to be retained in Canada for instructional purposes? Are they going to rejoin their units overseas, or are they going to form new units in Canada?

What is the position of the department with regard to draftees who volunteer for active service? Does the army try to place them in the particular branch for which they are best adapted?

Then, take the veterans of the last war, too mature in age and perhaps not physically strong enough to stand the strain of overseas service; what particular use is the department making of them?

There is also the Canadian Women's Army Corps, which has been formed to take over certain duties in the armed forces.

There are a great many places in the army where these classes of people can serve their country efficiently and release those who are physically fit for more active service. Guard duty, mess duty, driving of cars and trucks, patrol duty, clerical work, and perhaps the less exacting kind of administrative work, are all branches of service in which various classes of people can be usefully employed in the service of their country, and I think the

public would be pleased to have the assurance from the minister that the government is giving consideration to the proper allocation of those who are offering their services by way of draft or otherwise, taking into account their capacity, aptitudes and physical condition, and the duties they may be called upon to perform.

Fatigue duty has been discussed, and it was pointed out that the training of a soldier is not complete until he has had considerable training in fatigue duties. That is true, although it can be carried to excess, but undoubtedly certain forms of service do not call for as exacting qualifications as other forms.

Another question that comes to my mind, which I have been asked several times, is this: What assurance is given to the ladies at present in the Canadian Women's Army Corps, that, while possessing other aptitudes, they are not to be taken away from the particular spheres of endeavour for which they are qualified and in which they wish to serve?

I think it would be of great interest to the country if the minister would make a detailed statement along the lines of my suggestions and assure the Canadian people that the government is giving serious consideration to this matter, just as it is giving consideration in the mustering of the army to certain age groups, the restraining of employers in certain industries from giving employment to men of military age, and matters of that sort.

Mr. RALSTON: What my hon. friend has last referred to is probably one of the most interesting and important phases of the whole army programme, or of any war programme. It means trying to put the right man in the right place and trying, if one possibly can, to save a man who is best equipped for a certain job to do that particular job, letting somebody else perform a less difficult one. We have tackled that question in the department in a realistic way. There has been no fanfare of trumpets about it, but we have a personnel selection board under the adjutant-general, headed by Brigadier Chisholm, who has personnel selection officers at all the basic training centres, officers' training centres and district depots. Do not let me mislead the committee. That branch has been functioning for not more than six months, but already we have seen a marked usefulness and an improvement through its efforts. Everybody, of course, cannot do that work. We have had to some extent the benefit of personnel people from industry who have come in and helped us. We have tried to keep the idea of psychology out of it. I think it always scares a man to be put through a psychological or I.Q. test. What has been done has been by way of interview and by way of test at the same time. The soldier will talk to a man who understands judging men, their mental capacity and mental aptitudes. Such a man will talk to a soldier for, it may be, only ten minutes, give him a test and be able to estimate pretty accurately his general capacity, and then endeavour to steer him along the line where that capacity can best be used. If statistics mean anything, at the present moment the number being tested and interviewed in Canada is 22,000. We have not a big staff; and when the committee realizes that we have 60 training centres across Canada, it will be understood that it takes a big staff to cover them all. But we have these staffs operating in every basic training centre, in the officers' training centres and in the depots.

To give the committee an idea of the results of these tests, 61 per cent of those taking them have been given normal placement in the armed forces; that is to say, they were found fit for the job they enlisted for. Thirty-four per cent were recommended as trades trainees, having particular aptitudes, regard being had to their previous training or to their whole mental outlook; for 3·7 per cent there were special recommendations, such as for special appointments or transfer to other services. If a man who has enlisted in the army is particularly adapted to the air force, I do not think the personnel selection board are averse to seeing the man go where he will give the most useful service. Then 1·2 per cent have been set over for further examination. Altogether there have been examined, interviewed, to be dealt with further, no decision or final classification having yet been made, 76,000 men. Therefore that particular branch of the service has been working at top speed.

That is what is done, and that is apart from what is being done every day in any well-regulated institution, and in every organization. The senior officer is over these men, and the non-commissioned officers are keeping an eye on them to see where they can best be used. When you have an army which contains, in some branches, 35 per cent of tradesmen you have to keep a watch upon them all the time. We are doing that; it is being done by the officers as well as the men. But this personnel selection branch is a growing concern, and we have got great value out of it.

As regards the use of C category men—I refer to that because it is generally illustrative of the class to which my hon. friend refers—he understands, of course, the battle which is going on and has been going on since the beginning of the war, and is now, I believe,

intensified: that is to say, we are not using an A man for a C man's job. That applies particularly to the depots. I suppose that if the adjutant-general has one headache more than another, it is with relation to the depots. When men get into the depots it is difficult to get them documented, inoculated, and passed on to the next stage, to go to the training centre, because they are pulled off for this duty and that. The depot seems to be the place where you can get a man for a job, it may be a fatigue or what-not. We try to see that the administrative part of a depot settlement is filled as far as possible by low category men, so that active men can be spared for the service for which they were intended and for which they enlisted.

With regard to over-age officers, nothing would give my hon. friend the information to which he refers except a nominal roll of each officer showing what disposal was made of him. I have in mind the list which came over about January 1, when the age limits were put into effect. I believe that very few of them have retired—

Mr. BOUCHER: About one hundred and fifty.

Mr. RALSTON: —and I understand that many of them were absorbed in England at holding units, training centres and places of that sort; they were simply taken from field formations. As the committee knows, a number have returned and taken positions here, and they are, of course, proving exceedingly useful, because they have experience of the training and operations which are taking place in England. I believe that, generally speaking, they are giving an extremely good account of themselves.

With regard to the junior officers who are coming back, not as instructors but to take the junior war staff course, they will be utilized both in England and in Canada. I would not want General McNaughton to hear me say this, because I believe he has in mind that most of them will go back to the staff in England. But the search for capable young staff officers will never cease, and the men who are coming back here are needed to do real jobs when the crisis comes.

With respect to the instructors, I mentioned yesterday that about a thousand officers and non-commissioned officers have come home. They will probably stay here about eight months at their work, and they will then go back to England Some of them, we hope, can be spared to join units here and help strengthen the forces in Canada wherever they may be most needed. Certainly it is a great stiffening of our training to have them come over here. At the same time it gives them a change and an opportunity to utilize their experience of the training they have had by imparting it to others.

This is very general and, I am afraid, sketchy. But the big point which my hon. friend made, and the one to which I want to refer, is, first, that we are trying to make use of the best in the men in order to get the greatest utility possible out of their capacity; and, second, we are trying to save the more active men to do the more active jobs.

The chief of the general staff reminds me in reference to the cadres we are forming now for the seventh and eighth divisions—for that matter, for the sixth division also—that for every cadre of officers and non-commissioned officers we form here for these units, a certain number are brought back from England. It is some recognition of their services there and it helps us here. As an illustration of that, just before I came in the house to-night I approved the recommendation of the selection board of no less than ten officers who are now overseas to commands in Canada. All of them have been recommended by our staffs over there to take commands here. If I published a list of these it would be quite a striking thing. I do not believe that the public of Canada understand how many men who have served in England are in this country at the present time and how much help we are getting from them, nor do they realize how many are going to England. I find myself losing count of them; a week goes by and when I ask for this or that man I find that he is in England with an n.c.o. or two, attached to some battalion over there in order to get experience. This constant interchange is going on.

In reference to the Canadian Women's Army Corps, I speak subject to correction, but I do not believe that the personnel selection board have actually taken on work in relation to that corps. Primarily they are devoting their attention to four branches: one, dietetics, which includes cooking and waiting as well; secondly, clerical; thirdly, auxiliary services; fourthly, motor mechanics and things of that sort. The corps is, I think, making a great success. We are very much pleased with the work which has been done in the training of them at the school at Macdonald college. Accessions to the ranks have not been as rapid as we should have liked, not because of any lack of applications but because it is so difficult, with all the building that is going on, to provide accommodation. The committee will understand that we have had some difficulty in providing accommodation in camps, training centres and

places like that for these young women, but it is being overcome, and overcome very rapidly. All the reports I have had about the work which these women are doing indicate that they are quite capable of taking the places of the men in the jobs to which they are assigned, and there is no doubt that they will be the means of saving a very substantial amount of man-power. I am extremely pleased and proud of the way in which they have carried on.

Mr. GREEN: What is the aim as regards the size of the Canadian Women's Army Corps?

Mr. RALSTON: Just whatever is needed. We have applications now from every district for hundreds and hundreds more than we are able to give them: we could provide them if we had the accommodation. I believe that provision is being made at Gordon Head, Calgary, Kingston and Montreal. We are just now getting accommodation here, where problems of subsistence and living conditions are very difficult. At present the enlistments are about 2,800 or 3,000.

Mr. NICHOLSON: What are the age limits?

Mr. RALSTON: I am not sure, but I think it is nineteen. I know we made a change, slightly lowering the age limit.

Mr. BOUCHER: Could the minister not enlarge on what he has already stated to show to what extent he has used lower category soldiers and the women's army corps for the replacement of higher category men in such duties as motor mechanics, clerks, guards, chefs, et cetera?

Mr. RALSTON: I do not think I can enlarge on that except to state what must be obvious to my hon. friend. Wherever possible, sedentary jobs and certain types of fatigue duty which do not involve great physical effort, are done by those in the lower categories; that is, so long as their mental equipment is all right. We are endeavouring to place these people all the time. I mentioned the depots particularly because there is a steady job there, as well as on the administrative staffs. I think of another place, the Royal Military College. Just the other day the question came up, and I was told that for some time the commandant has been employing a number of low category men. At any place where there are permanent or semi-permanent jobs, if anything is permanent in this war, we use as many low category men as possible. This is a very general statement, and I am afraid it does not give my hon. friend much more information than he would have guessed himself.

Mr. BOUCHER: Could the minister give us any particulars as to the extent to which civilians are being used to replace soldiers?

Mr. RALSTON: No. Of course, as my hon. friend knows, a great many civilians are being used in ordnance as well as at national defence headquarters. Civilians, particularly young ladies, are being used at district headquarters. The engineering service uses a great number of civilians, but they are more in the way of labourers and craftsmen than for office or administrative work.

Mr. BOUCHER: Perhaps the minister could tell us something about the civilian guards that are being used in connection with the mounted police, or it may be that is not under his department.

Mr. RALSTON: No.

Mr. DOUGLAS (Weyburn): There is not only the problem of making an intelligent allocation of men in the different branches of a service; there is also the problem of allocating men to the different services themselves. I know this is a ticklish and delicate problem, but sometimes fools rush in where angels fear to tread. Has any thought been given to this? I know of men who have trained in the reserve units and would have made first-class soldiers or non-commissioned officers. They went, however, into the air force as members of the ground crew. There is a certain glamour about that force; they have natty uniforms, and it seems to be attractive to the young men. I know a number of these fellows. They are splendid physical specimens, all in category A1, and yet they are members of the ground crew.

Has there been any collaboration between the army and the air force with a view to meeting this situation? I do not know enough about the matter to speak categorically, but from a layman's point of view it would seem that men in B category could do the work of a ground crew. I cannot understand why a man who is short-sighted or who has flat feet could not service a plane in an aerodrome. But that has not been done. As I say, many of these men in A1 category are members of the ground crew in the air force. The day may come very quickly, should another front be opened up and there be many casualties. when we shall need as many A1 category men in the army as it is possible to get. I know the Minister of National Defence for Air will not appreciate my suggesting this, but this problem will have to be faced. Probably

it should have been faced earlier in the war.

Is any attempt being made as between the different services to allocate men? I know it is a difficult thing to say to a man that he should not join the air force, that he should go into the army or some other service. On the other hand, if one service has a waiting list as they have in the air force, and the army is just making its quota month by month, sometimes as a result of terrific work by the recruiting officers, something should be done. There has been a definite tendency for men to go into the one service. It is too bad when the government has spent a lot of money and the army a lot of time in training men, that they should go into a different service.

Mr. RALSTON: I am afraid I can give my hon. friend only a very brief statement. Naturally, what he has said is not open to argument. There has been, not only consultation but collaboration with my colleague, the Minister of National Defence for Air. There is this to be said with regard to the ground crew. From the very beginning of the air training plan it was recognized—I was going to say 50 per cent—that a very large percentage of the activity of the air force would be in the ground crew. I shall not give the figures to-night, but most hon. members know the small number of air crew there is compared with the ground crew in a squadron. The real mechanization of Canada's army came later, and many of these men were already in the ground crew.

I do not argue for one minute against what my hon. friend has said about the possibility of our being able to utilize these men in the lower categories in connection with the air force. I would not want to be taken as saying that this is the case because I do not know enough about the air force and its service requirements. It may be that only certain men can stand up to the needs of the service. This matter has been the subject of earnest, thoughtful and intensive discussion between myself and my colleague, the Minister of National Defence for Air. We have an interdepartmental personnel committee which is considering how best we can help each other in connection with the matter of recruitment. We try not to step on each other's toes, but to assist one another. The matter of joint recruiting offices was considered, but there were reasons which I need not go into to-night which seemed to make that impracticable. We have always had the arrangement that one would send a man to the other if he seemed more fitted for a particular job.

I do not think I can say anything more to my hon. friend. I shall take note of what he has said and bring it to the attention of my colleague, the Minister of National Defence for Air. This is discussed, I may say, at defence council more often than my hon. friend may believe. We are all endeavouring out of a limited field to get the men we need for the different services. So far, we have been able to do it. By this personnel selection board we think we are improving that situation, and we hope that it will result in the very best allocation of men possible, having regard to their capabilities.

Mr. GREEN: Is the army responsible for the defence of air fields and airports, or is that the task of the air force? That is a very important question, particularly in northern British Columbia and the Yukon, and on both coasts. There has been considerable trouble and difficulty about it in Great Britain. Has Canada got around that difficulty?

Mr. RALSTON: The army accepts responsibility for the defence of air fields. I regard it as the army's job to see, if possible, that the enemy is kept far enough away that the planes at the aerodrome can get into the air. We do that by anti-aircraft guns and by keeping paratroops from landing on the field and things of that sort. Once the planes are up, they take care of the situation themselves. But it is the defence of a post, just as the defence of a naval base.

Mr. GREEN: It is recognized as a job for the army?

Mr. RALSTON: That is right.

Mr. HAZEN: Reference was made a minute or two ago to employment of civilians in the army. I have in mind the employment of carpenters by the engineers. I think a good many carpenters are employed in some places. Has the government or the minister's department made any change recently in the employment of carpenters, or do they contemplate any change? Is it proposed to take such men into the army and have them work as carpenters in the army rather than to employ them as civilians?

Mr. RALSTON: I know of no intention to make any change in that respect. We have some construction battalions in England.

Mr. GREEN: In yesterday's Montreal *Star* there was a dispatch from Victoria stating:

> British Columbia may give Canada and possibly the United States, a new defence arm —the motor boat and automobile "emergency transportation squadrons". . . .
>
> Harold Husband, representative of the Dominion Department of Transport here, disclosed that squadrons were being organized on Vancouver island and the "blueprints" would

be made available to other parts of British Columbia and Canada as soon as possible. They also may be sent to authorities in the United States if there is any interest in them there.

Then it goes on to describe the work of these transportation squadrons, which apparently is to supply automobiles and also motorboats for emergency transportation. Does the Department of National Defence know anything about this move?

Mr. RALSTON: I have not heard anything yet. My hon. friend has the credit of having brought it first to my attention.

Mr. GREEN: I will send the clipping to the minister and perhaps he might investigate. I think there is a good deal of merit in the suggestion.

Another question is with regard to what used to be known in the last war as the paper war. We get complaints repeatedly, relating to all three services, that there is far too much correspondence, too much passing the buck, letters from this department to that department and so on right down the line. Two or three months ago I had an unsigned, anonymous letter from an officer in the force; strictly speaking I suppose I am not entitled to read it, but he had some very good suggestions. I should like to read the one dealing with correspondence:

> Speed-up of interdepartmental correspondence. At present the red tape that ties up interdepartmental business is dreadful. Officers and men are often kept kicking their heels about for weeks at a time doing nothing while their papers (documents to us) are undergoing some mysterious process. I myself had time to take five weeks training in another branch of the service while my papers were undergoing this process, and when they did call me in the papers were confused and nobody seemed to know where I was to go, so I went back to sitting in the mess reading the morning papers and enjoying life for another ten days, at $5 a day. Surely a telegraph service could be installed in each camp for the use of routine business, it would be an excellent training ground for the signal corps. In one case a letter from Ottawa was sent west for an officer to be dispatched east to catch a draft, the letter was mailed with a three-cent stamp. The time lost was made up by the officer being brought east by air travel. A good telegraph service linking every camp in Canada would be excellent training for the signal corps and put our Canada army in Canada on a war basis.

I realize the difficulty. In all our business, civilian as well as military, there is far too much letter-writing, but probably the army is very prone to develop in that direction. Is any attempt being made to cut out some of this letter-writing and, if so, what?

Mr. RALSTON: I could show my hon. friend cases that make that one pale into insignificance.

Mr. STIRLING: Doesn't it make you mad?

Mr. RALSTON: No one knows better than the army the difficulties that exist. Constantly, steadily, all the time, slowly but persistently I think we are improving in that respect. Some most radical things have been done at headquarters with regard to cutting red tape; the trouble is, the organization is so big and has grown so fast, there have been so many people appointed who have to have a look at a thing and consider it, that it takes a long time to get around. If a man could go to one man's desk and have him stop his work and attend to that particular thing you would get that through splendidly, but you would not get the day's work done. You must have some system. I have in mind now an improvement which has taken six weeks to get through, but I am sure it will result in a great deal of labour saving.

The difficulty in connection with army administration is to separate the big from the small. That is, each thing has to take the same amount of time, no matter how important or unimportant. The trouble is, a return may be asked for in the house in connection with something that amounts to only $100 which may cause more back-fire than something amounting to $10,000. That is why everyone is concerned in seeing that things are done regularly. But we have to take some chances in connection with the army as with everything else, and verbal instructions are given sometimes and confirmed afterwards on the file.

At the last district officers' meeting, instructions were given about this point of postage, that the telephone could be used and used freely in order to hasten matters, because a letter has to go to some central distributing office and so on. With thousands of letters in a day, it is the next day before the letter gets to the department; it may be the next afternoon before it gets to the officer who has to attend to it, and he may have to send it to different places to get notes in regard to costs and materials and so on. We are short-cutting to a reasonable extent, I think; we are toiling slowly upward—I would not say through the night—but we are making definite progress in that respect.

Mr. GREEN: Is the situation any better in Great Britain? Have they any better system? If they have, we might copy it.

Mr. RALSTON: I would not want to comment. I am willing to say that anyone's

system is better—I do not believe it, but I would not want to say that anyone's system is worse.

Mr. STIRLING: Certainly not in stenographic help.

Mr. RALSTON: No. But, you see, we have had officers who have been at the war office. The former chief of the general staff was there for three or four years, and we have had other officers attached there. I believe we have adopted anything from there that has seemed useful.

Mr. GREEN: What about this suggestion that there should be a telegraph service between the camps? Is that feasible, or is it not? If a telegraph service could not be instituted, what about a wireless service? Would that not be possible?

Mr. RALSTON: There is at present a complete wireless service between districts. I think what my hon. friend means by a telegraph service is the up-to-date apparatus called the teletype. We have spent a good deal of the money of the people of Canada in connection with teletype service, and it has been of tremendous help. I do not want to make a public statement as to where the teletypes are located, but they are working every minute, and we are having to increase the number. We know they are well worth it, not only in connection with the money saved but in the efficiency produced and the speed with which we can get on.

Mr. GREEN: They come under the signal corps, do they?

Mr. RALSTON: Yes. In some instances one service puts them in and then puts in switch lines to the other two services. In other words, they just have the one teletype set for out-of-town service, and the three branches get the benefit of it.

Mr. BOUCHER: The minister has made a very fair but extremely limited statement on the allocation of men. Perhaps he cannot enlarge upon it, but I am not yet satisfied that a useful purpose would not be served if we could be told a little more about the way a man seeking to enter the army is put in the place for which he is most fitted. I have in mind several cases which have come to my attention, perhaps more by hearsay than by direct contact. It seems to me that when a man goes to join the air force he is given almost every consideration in being directed to that particular branch of the air force for which his trade, training or experience best fits him. On the other hand, it seems to me that in the army, if you do not go to a particular unit, there is no place where you can get information as to the branch of the service you should enter. With most of the recruiting depots being depots for all units, very little guidance is given to the recruit seeking to enlist, as to the particular unit or particular branch of the service he should enter.

One case drawn to my attention a short time ago was that of a man with experience in electrical engineering. Then, not two weeks ago another case was brought to my notice, that of a man who had perhaps five years' practical experience in connection with precision tools. In common with many other people he did not feel like sacrificing that experience by going into the ranks in any particular branch of the army, without some assurance that full use would be made of his training. I wondered whether the minister had given consideration to the position of the average man, who does not know as much about military life as he might, who has some special qualifications and who does not know where he can secure guidance as to the possibility of his particular knowledge being used in some particular branch of the service. Perhaps the minister might explain that a little more fully.

Mr. RALSTON: I should be very much surprised if one statement made by my hon. friend should be true. He said the recruiting offices were recruiting for particular units. That is not intended. If the recruiting officer is doing his job—and I have seen a good many of them; I have met them at conferences, and I have an idea they are on the job—

Mr. BOUCHER: I do not mean to cast any aspersions on any recruiting officer.

Mr. RALSTON: I appreciate that; but I believe these officers are qualified to do exactly what my hon. friend asks about. That is to say, my hon. friend is quite right in suggesting that a man is entitled to all the advice and all the information he can get about the particular branch of the service he would like to enter. But what I wish to impress upon the committee is this, though it may sound a little impersonal. First of all, a man has to make the decision as between the army, the navy and the air force. If he decides to go into the army; if he will only enlist for general service, I will undertake that when he meets these personnel selection people he will find them sympathetic; he will find that they know what the army has to offer, that they know what qualifications are required for a particular branch. They will find out from him what qualifications he possesses, and they will put him in the right place. A man may say, "I want to be a signaller." He has a right to say that; that is his own decision.

But if he wants help, I really think he should enlist for general service and then take the advice of these personnel selection people as to where he should go if he really wants full use made of his abilities. That is pretty simple, but I really think it is sound.

Mr. BOUCHER: I can appreciate that viewpoint in one who is, as it were, looking from the inside out, but according to the minister's explanation it puts a man with special qualifications in the position that, first of all, he must join for general service. He may have some diffidence about trusting his future to general service without first knowing—

Mr. RALSTON: He does anyway.

Mr. BOUCHER: That is so, but not with the same degree of recklessness, perhaps, as he does when he joins for general service. Consider the man I mentioned a moment ago, with five years of technical experience. Apparently he had taken special training and had considerable experience in connection with precision instruments. He wanted to join some branch of the army in which he would have some reasonable assurance that he would use that experience, and would have an opportunity further to develop himself as well. From the inside looking out, one might be inclined to say that he should join the army for general service and trust to the efficiency of the army, about which he knows nothing, to put him in his proper place, to see that he gets proper pay and proper promotions. Yet it would put him much more at ease if, before signing on the dotted line and joining the army, he could be given much more guidance than, in my uninformed opinion, he gets now. I believe this point might be well worth consideration, and perhaps the minister might give a little further explanation in that regard.

Mr. RALSTON: I have suggested the method. We try to have the recruiting officers well acquainted with the needs of the various arms of the service. They try to size up a man, and I am really satisfied that most recruiting officers would be willing to give any man helpful, sound and useful advice. If it would help, I would set up a bureau anywhere, but that is what the recruiting officers are for. We have also formed these civilian committees to assist in that direction, because often a man does not want help about a technical matter but rather information about what his duties will be. It seems to me these civilian committees can be of great assistance in this regard.

Mr. BOUCHER: I would not want to suggest that this situation does exist; but very often a man, not knowing the army, not knowing the officers, has every reason to feel that he possesses qualifications which should entitle him to a higher rank than that of a raw recruit just entering the army. Though perhaps I should not say so, frequently people are led to believe that, to some extent at least, you need a little pull, a little assistance or a little drag to get the better positions in the army. That very situation leads to that opinion, in so far as it may prevail.

Mr. RALSTON: I have said all I can about the matter of drag. I know that is the feeling not only about the army, but about almost everything—it may be the church, or anything else. It seems to be the idea that if you want to get anywhere, you must get someone to speak a few words for you. But I believe that the army is about as clear of it as it has ever been, or as any organization is.

Any man with the qualifications of a machinist, or with other technical qualifications, will be snapped up so fast, and will be taken so quickly, that it will certainly make his heart warm, if he is enthusiastic about the service. It is not a question of drag; it is a matter of taking advice, and of being satisfied with and having confidence in the person who gives it. We will do our level best to see that a man will not think he is being influenced by people inside. If he does get into the army, we will shift him around so that he can go to the place where he serves best. Having done that, I believe we have tried to serve him as best we can.

Mr. BLACKMORE: Is there any definite rule of procedure a boy in the service should follow? He may know that he possesses mechanical skill and may wish to be transferred to some other unit where that skill might be useful. Under such circumstances, what procedure would he follow? I have been told it is contrary to the rules for him to write to his member of parliament, and it seems there is no one else to whom he can write. If he happens to be shy, he does not wish to be paraded before his superior officer, and may not have the ability to express himself. Under those circumstances he might remain a long time without recognition.

Mr. RALSTON: It is not a matter of recognition. My hon. friend has put his finger on something which I know always presents some difficulty, and that is that the young man in the army feels that he cannot apply to his commanding officer. I am preaching and always have preached—and I believe I am sound in this—that an officer as nearly as possible ought to be a father to his men. By that I mean that that young fellow should immediately apply to his platoon officer—

and he does not need to be paraded, either. The platoon officer will talk to him at any time. He might go to his commanding officer and ask to be transferred. If his qualifications are mechanical, he will be readily picked up. There is a general comb-out—I believe that is the right word to use—of all units. Men with mechanical qualifications are taken quickly. Without my hon. friend using any pull, or anything like that, I should like to know of any case in which that would not work. I do say that the young man should first of all exhaust that way of doing things. I say that because it is just this procedure of writing to a member of parliament, and something happening as a result of it, that gives the impression there is some sort of drag.

I believe that if the young fellows would go to their officers, if those officers are the kind of men they ought to be they will see that ability is recognized. This pressure is not coming from below only; it is coming from the people above, as well, who are looking for these men and who are trying to get them to go to the trade schools at Hamilton, Barrie-field, Woodstock and other places where trades are being taught.

Just the other day a father came to me and, naturally, wanted me to write somebody on behalf of his son. I said, "I cannot do it; but tell your boy to go to his platoon officer." I have not heard from him since, and I do not know whether he took my advice or not.

That is another thing about soldiering; I do not think they teach the boys enough about army procedure. I should be very much surprised if the procedure I have suggested would not work, if the boy had the qualifications I assume he has.

Mr. BLACKMORE: My experience has been that the minister's officers are very considerate, once a matter like this is brought to their attention. They do manifest the interest the minister would like to have them show. But at the same time several cases have been brought to my attention where the boys were just too shy, and they did not know what to do. When I was approached I did not know what to tell them to do. The minister says they should approach their sergeant-major?

Mr. RALSTON: Their platoon officer. Those boys probably have not a platoon officer; they probably have instructors. Probably the boy whom the hon. member has in mind is in a training centre, and is not in a platoon. If he is in a training centre, he will surely be caught, because the comb-out officers will be all around the training centres looking for men with mechanical ability. If he is in a unit, have him go to his platoon officer, or speak to the officer commanding. He does not necessarily have to parade before the commanding officer.

Mr. DOUGLAS (Weyburn): The training centres are organized in platoons, are they not?

Mr. RALSTON: Yes. But with all due respect I never think the platoon officer in a training centre is quite as close to his men—because he knows his men for only a short time—as the officer who is in a unit and expects to have his platoon permanently.

Mr. DOUGLAS (Weyburn): As a matter of fact, I know what the minister has suggested is being done very often. I know some of the platoon commanders in some training centres, and I know that is what they are doing. A few weeks ago I had dinner with a young platoon officer, and he showed me that he was keeping a record of each man who went through his hands, to show what his aptitude was. I think a great deal more of that should be done.

Mr. RALSTON: At six o'clock I believe we were talking about that, and I am delighted to hear it is being done. I have felt that in this war the army is too impersonal, the fault being possibly that of the training centres. We are trying more and more to impress upon the officers that their biggest job apart from training the men is to look after them and be a sort of father to them. When an officer sees that a man is in difficulty he should help him out, even though that man does not happen to be his man for all time. The officer on the job has charge of that man, and is responsible for his comfort as well as for his work.

Mr. CASTLEDEN: Is there any delay with regard to promotions in the forces now in England? I have in mind a chap from the west who is in England, and who is an experienced druggist. He has been over there for more than a year. Although I have not done anything about the matter, it has seemed to me that there has been some difficulty with regard to getting his promotion confirmed on this side. Are the officers in charge on the other side permitted to make promotions over there, or do they have to be recommended from Ottawa?

Mr. RALSTON: They may make promotions over there, up to a certain rank. I am sure that rank is probably far above the rank to which my hon. friend's friend expects to be promoted.

Mr. CASTLEDEN: What is that rank?

Mr. RALSTON: I can say that it is up to lieutenant-colonel; I shall not say anything

further than that. I do not imagine my hon. friend's friend will plan going any higher than that.

Mr. CASTLEDEN: He is still a private.

Mr. RALSTON: Then I can say he need not await approval from this side.

Mr. BLACKMORE: If a boy's parents desire that he go home to work on the farm or to put in the crop, whom should be approach? The rule is that he must approach his commanding officer, is it?

Mr. RALSTON: Yes.

Mr. BLACKMORE: I have known several boys who have been at a loss to know whom to approach. They felt somewhat shy about the matter.

Mr. RALSTON: They should approach their commanding officer, through the platoon officer or whoever happens to be the officer next to him.

Progress reported.

At eleven o'clock the house adjourned, without question put, until Tuesday, April 28.

Tuesday, April 28, 1942

The house met at three o'clock.

MID-WEST CHEMICALS LIMITED

TABLING OF AGREEMENT UNDER WAR EXCHANGE CONSERVATION ACT

Hon. J. L. ILSLEY (Minister of Finance): I desire to lay on the table copy of agreement made under the War Exchange Conservation Act between His Majesty the King in the right of Canada and Mid-West Chemicals Limited.

CANADA'S WAR EFFORT

RESULT OF THE PLEBISCITE—QUESTION AS TO ACTION BY THE GOVERNMENT

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, I crave the indulgence of the house while I make a brief statement and put a question to the ministry. The people of Canada yesterday spoke emphatically. Now there is no stumbling block, real or imaginary, to total war. The hour has struck when every human and material resource must be mobilized for war service. Parliament now is free to act—there are no fetters upon the Prime Minister (Mr. Mackenzie King) or his government. Let us act, and act now. We can decide and decide now that nothing shall limit our effort and we can repeal now those limiting or restricting features. I invite the Prime Minister to respond to the people's will for total war, waged by total effort. Let him rise to the occasion now, and he will strike a great blow for victory. Let us go forward to greater and ever greater effort, secure in the knowledge that the people of Canada are ready and prepared for the sacrifices which that will entail.

The right of way is clear. What does the government propose to do about it?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I hope my hon. friend will be content to wait until the final returns of the plebiscite have been given to the house before he asks me to discuss any matters arising out of it. The questions that will have to be considered are all important and fortunately all members of the ministry and members of the House of Commons are now free to speak their minds without its being assumed for a moment that they are being influenced by any past commitments or considerations other than those which bear immediately upon the questions they are discussing. In due course the government will make known to the house what action it proposes to take in the light of the plebiscite vote of yesterday.

INQUIRY OF THE MINISTRY

EXPLOSION AT PLANT OF INTERNATIONAL FLARE AND SIGNAL COMPANY

On the orders of the day:

Mr. J. H. LECLERC (Shefford): May I ask the Minister of Labour (Mr. Mitchell) whether he is aware of a disastrous explosion that took place at the International Flare and Signal Company, Waterloo, Quebec, of which seven or eight persons were victims? Has the government any contracts with this company? Is there a scale of salaries for employees of these munitions plants, and if so what is it?

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

VICHY REPRESENTATION

INQUIRY AS TO PRESENT POSITION FOLLOWING RECENT DEVELOPMENTS

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): I intimated to the house before the adjournment that I might possibly make a statement to-day with respect to Canada's relations with Vichy. Since the house adjourned I have asked Mr. Pierre Dupuy, who is in charge of Canada's legation to France, to return to Canada immediately in order that there may be an opportunity of conferring with him before reaching a final

decision in the matter of our relations with Vichy. After I have had an opportunity of conferring with Mr. Dupuy, unless some occasion should arise to make it necessary to take action before he returns, I shall then be in a position to make a full statement to the house.

Mr. COLDWELL: When does the Prime Minister expect Mr. Dupuy to return to Canada?

Mr. MACKENZIE KING: Very soon. He will, I think, come by the quickest route.

WAR APPROPRIATION BILL

PROVISION FOR GRANTING TO HIS MAJESTY AID FOR NATIONAL DEFENCE AND SECURITY

The house resumed from Thursday, April 23, consideration in committee of a resolution to provide sums not exceeding $2,000,000,000 for the year ending March 31, 1943, for granting to his majesty aid for national defence and security—Mr. Ilsley—Mr. Fournier (Hull) in the chair.

Mr. HANSON (York-Sunbury): Before the discussion becomes general I desire to ask a question of the Minister of National Defence (Mr. Ralston). The minister will recall that on March 24 last, on a question of privilege, referred to at page 1583-4 of *Hansard* of that date, I asked him certain questions relating to a report, No. 47, sent out by the military intelligence section of the Department of National Defence, entitled, "Summary of Military Intelligence for Military Districts." This was referred to in the debate on the United Kingdom financing resolution on the Friday previous, March 20, by the hon. member for Quebec-Montmorency (Mr. LaCroix), as reported at page 1494 of *Hansard*. I then asked the minister three questions.

1. Has the attention of the minister been called to this portion of the hon. member's speech?

2. Will the minister advise the house how the hon. member came into possession of what I assume to be a confidential military intelligence release?

3. What does the minister propose to do about the matter in the premises?

The minister replied categorically: First, that his attention had been called to the report of the speech; secondly, that he had not the faintest idea of how the report came into the hands of the hon. member for Quebec-Montmorency; and thirdly, that the most rigorous investigation was being conducted to ascertain who was responsible for the hon. member receiving the copy and that appropriate action would be taken according to the circumstances.

I now desire to ask the minister what was the result of the most rigorous investigation to which he referred: how did the hon. member obtain the copy of the report; and what was the appropriate action taken in the circumstances?

Mr. RALSTON: I have not made inquiries in the last few days. I have asked the vice-chief of the general staff to look into the matter but he has not yet been able to ascertain how the hon. member got possession of the document or through whom. The investigation is still continuing and I assure the committee that from the point of view of the department as well as of the house it will not be discontinued until every possibility is exhausted of ascertaining how it was that this particular document got into the hands of anyone outside the department.

Mr. HANSON (York-Sunbury): I am satisfied so long as the matter has not been lost sight of.

Mr. GRAYDON: The points which I desire to bring to the attention of the committee this afternoon are confined very largely to matters affecting the morale and general conditions of the men and women of our armed forces. I shall not have a great deal to say, but I wish to touch upon one or two matters which I think are of prime importance and which, I believe, have engaged the attention not only of those in the armed forces but also of the public at large.

The whole question with respect to parity of pay and allowances in connection with our armed forces is, I realize, a matter that must be dealt with in the light of common sense and sober judgment in times like these, but I would call the attention of the minister and of the government to one particular phase of the situation which was originally brought before the house by the hon. member for Halton (Mr. Cleaver) and which later on was touched upon by myself. It is something that is very close to my heart and which on numerous occasions outside this house I have dwelt upon. Whatever may have been in the government's mind with respect to the question of rates of pay and allowances for our armed forces, there is one matter which has been to a large extent overlooked, whatever the reason may be.

I do not know what reasons may properly be advanced against a general rise in pay for the armed forces and I have never been greatly convinced by some of the arguments which have been put forward on that score, but I suggest that the government might well do

something now with regard to an alternative method by which the same object may be attained. I refer to a plan of savings, or a savings rehabilitation fund, which I mentioned in the house before and which I urge again. I believe we could do a great deal towards improving the morale not only of our men in the armed forces but of the people at home by a system of this type. In my opinion, the idea of a nest-egg for the men in the armed forces when this war is over has a twofold object. It would be a twofold achievement at the present time. One thing that occurs to me right away is the fact that it would bring up the standard of returns to the armed forces of Canada to a point at least within measurable parity with the returns which other people on the home front may be receiving. In addition to enhancing morale, which would normally flow from such a change, it would wipe out at one fell swoop many of the rehabilitation problems which various departments of the government are attempting to deal with and which they will have to solve at the end of the war.

I think the nest-egg plan, of putting something in addition to his present pay aside every month while the soldier or airman or sailor serves, can be justified on every ground—in the first place, on the ground of morale and secondly, it would remove one of the great obstacles to rehabilitation when the war is over. With all deference to those who have spoken from the government benches during the last few weeks on the very laudable efforts that have been made with respect to rehabilitation of the men in our forces, I would say that these are all promises relating to things to be done after the men are discharged. But I should like to see the government take hold of this problem and make sure that the men of our armed forces know that day by day and month by month, in addition to the rates of pay and allowances they are receiving, the government is setting aside a substantial savings fund for their use when they return. I want to emphasize that idea and impress it upon the minister.

Further with respect to the question of higher pay for our armed forces, I do not want the idea to become general that every little while someone must get up and raise that question just for the purpose of hearing himself speak. The reason I am making this statement now is that I honestly and sincerely believe that the programme which has been outlined, of a nest-egg for our armed forces, is not only justified but is long overdue so far as government policy is concerned. I should like to see the minister take this matter into consideration without further delay. If there is no good basis for it, the government should let us know; we should at least be given some explanation and some assurance that the matter will be considered carefully from every possible angle.

I know, as does the minister, that in the United States legislative changes relating to this subject are now under consideration in the congress. To what extent they will improve standards with respect to returns to men of the armed forces I am not prepared to say, but at least the United States congress has seriously under consideration legislation to improve the position of men in the forces of that country.

Also I want to say to the minister—perhaps I should do this when the estimates of the minister of naval services are before the committee, but I want to bring it to the attention of the Minister of National Defence—that there does not appear to me to be any justification for the vast difference in pay and in dependents' allowances of the naval services and the other services of Canada. Without any reflection on any of the other branches of the forces I am sure the people of Canada are sufficiently proud of the achievements of the officers and men of the navy to rise up in a body and cheer any government that would place that service at least upon an equal footing with the other services.

I come now to the question of dependents' allowances. In a speech made to this house by the Minister of Finance (Mr. Ilsley) on November 14 last in relation to war allowances and provision for a board of trustees to look after dependents, the minister set out a plan which I think the country welcomed. But in the light of subsequent events that announcement fell short of being any real solution of the problem of increased allowances to the kin of the men on service. The trustee board deals largely with emergencies outside the normal course of life. The minister did not take into sufficient consideration the rising cost of living, which bears with great force upon the dependents of the men serving in our armed forces.

I took the trouble to make some investigation into the increase in the cost of living since the beginning of the war. At the beginning of the war a private in the army was entitled to dependents' allowance of $35 monthly outside of the provision made for

children. I have no doubt that that allowance was based upon the cost of living as it existed at the outbreak of the war. But if it was a proper allowance in September, 1939—and I am sure the government must have given it every consideration; if they were convinced that $35 a month was a proper allowance for the wife of a private at that time, then surely the government must now take into consideration the rise in the cost of living since that time. Let me give a few figures which I have obtained from the bureau of statistics. In August 1939 the index figure was set at 100. By December 2, 1940, a year and three months later, the cost of living in Canada had increased 7·1 per cent. By August 1941 it had increased by 12·8 per cent, and on March 2 of this year the cost of living had risen, not 7 per cent, not 12 per cent, but 15 per cent over what it was when the war broke out. That gives us this very simple equation: If $35 a month was a proper figure at the outbreak of the war, now that the cost of living has increased 15 per cent I submit that the allowance for the wife of a man in the armed forces—I am speaking particularly of the army—should be $40.25 a month.

True, it may be said that the government has extended the field in which dependents' allowances may be paid; in other words have added an allowance for a third child and for a fourth. But that is merely a rectification of an obvious error at the beginning and can scarcely be regarded as an argument that the government has increased the rate of allowance so far as the wife is concerned. Order in council P.C. 8253 provided for a cost of living bonus of 25 cents a week for each 1 per cent increase in the official index figure over that of August 1939. If my figures are correct it would mean that the allowance paid to the wife of a private in the army, instead of $40.25, would be increased to $50 per month. I leave these figures with the minister, with the suggestion that this is not something to be bandied about this committee for the sake of argument, but something to which I hope the minister will give careful consideration, and which he might take up with the Minister of Finance. Many times it is argued here that something cannot be done because of the cost to the treasury. That is always an important consideration, but I do not think it is a consideration which should be the last word when we are dealing with the dependents of men who are risking their lives for all of us on the home and overseas fronts. I hope the minister will give this suggestion the comprehensive consideration which I feel it richly deserves.

I am going to offer another suggestion, also having to do with the morale and general welfare of our forces. I know this point has been brought before the house previously, and I raise it now only to emphasize the need for some change in this respect. Many good arguments may be advanced by the government and others against the general granting of free transportation to soldiers, airmen and sailors. Perhaps there are good reasons why that should not be done, but it seems to me the reason would have to be extremely good for the government to turn down the suggestion that in connection with furlough leaves and particularly embarkation leaves, free transportation should be made available to the armed forces. Since this war began the government have found ways and means of doing many things; surely ways and means can be found of seeing to it that the men of our armed forces are not required to scrimp and save out of their meagre pittance for months at a time in order to pay their transportation back home to their loved ones before they leave for overseas. I want to impress upon the minister the importance, in my view in any event, of making some change which will bring about free transportation for our soldiers on their furlough and embarkation leaves.

Let me say further that I am not so sure it is good for the morale of the soldier, or for the morale of any of us, that there should be any distinctions on the railways of this country. Some people are allowed to travel free, while others are not. If there is to be any distinction made; if any are to travel free, then let it be the men who are willing to lay down their lives for us. Surely that is not too much to ask, and I make this plea to the minister. I know that the question has been brought up time after time, but I do want to make this one last appeal. I have spoken to many of these men. I know what they say and what they think, and in view of that I am going to offer another suggestion, if there is still any doubt in the mind of the minister. This may not be quite orthodox, as far as military matters are concerned, but these are not the days of orthodox things. I suggest that the minister choose ten men from among the privates in the ranks of our army in Canada; have them form a select committee to meet with him, and get right to the root of this question. He could find out from them their views, and I think the views of the whole army, with respect to the matters I have mentioned, and particularly with respect to this question of free transportation on furlough and embarkation leave. I would not make this suggestion

if it would affect in any way the discipline of the armed forces, if it had anything to do with questions of seniority or anything of the kind. This, however, is a matter entirely apart, having nothing whatever to do with the discipline or organization of the army. It seems to me that nothing would better show the democratic spirit of this great country than for the minister to select ten or more men from the ranks of our armed forces to advise him on this and similar matters. I hope the minister will give this suggestion his careful consideration.

There is one other question I should like to ask the minister, which he might answer in the course of his statement. This situation has been brought to my attention by men in the air force, but I must confess that I have not had it brought to my notice by men in the army. In connection with embarkation leave, we will take a man in camp in eastern Canada who has to travel perhaps thousands of miles in order to get home. I should like the minister to give the committee some explanation or some information as to whether or not the time required for that man to reach his home is added to his embarkation leave, or whether the time spent in travelling is included in the normal leave. I should like it very much if the minister could give us that information during the course of his remarks.

Mr. RALSTON: My hon. friend referred first to the matter of deferred pay. I take it that he was really referring to an additional amount which would be deferred until after the war.

Mr. GRAYDON: Quite so.

Mr. RALSTON: Then there is no question that my hon. friend was advocating an increase in pay, and simply deferring the time of payment.

Mr. GRAYDON: I am not apologizing for it.

Mr. RALSTON: I am not asking my hon. friend to apologize, but I want to be clear about the matter, because as my hon. friend knows there is provision now for deferred pay. My hon. friend was rather protesting that he was not arguing for an increase in pay, but that was exactly what his suggestion amounted to. I am not arguing against it at the moment—

Mr. GRAYDON: I meant increased cash pay.

Mr. HANSON (York-Sunbury): For my own information would the minister say what the position is with regard to deferred pay?

[Mr. Graydon.]

Mr. RALSTON: The provision with regard to deferred pay applies only to those who are overseas. If no assignment of pay has been made, then fifty per cent of the pay is deferred. If less than fifty per cent has been assigned the difference between the amount which has been assigned and 50 per cent of the pay is deferred. Those are the two points. That deferred pay is held at 3 per cent until the man is discharged or appointed to a commission. There are certain cases in which the deferred pay may be drawn upon. I know that at least every two or three days I sign authorizations for men to draw against their deferred pay. I believe marriage is one reason; or if there is illness on the part of his relatives, and I think there are some educational matters—

Mr. LOCKHART: Does that apply to both officers and men?

Mr. RALSTON: —for which he may obtain authority to draw against his deferred pay.

Mr. DOUGLAS (Weyburn): Is there deferred pay if a man assigns 50 per cent or more of his pay?

Mr. RALSTON: No. The hon. member for Broadview when speaking the other night indicated that he felt that there should be placed on record a statement showing pay and allowances in the Canadian army. He had a photostatic copy of pay and allowances, and I have a copy in my hand. I have made notes with regard to maximum allowances. It might be helpful to the committee and perhaps to the country generally to have on record a statement showing the pay of various ranks in the army, up to the rank of colonel. I do not propose reading it all, but with the permission of the committee I shall have it printed. On this table the allowances shown are divided up into per diem allowances. That is to say the allowance of $35 to a wife is divided into a per diem amount. The allowances for children are also placed on a per diem basis.

The result is that a class 1-A warrant officer, the highest of other ranks, when in quarters, single, receives $1,533. A warrant officer of the same rank in quarters, but with two children, receives $2,301. A warrant officer, class 1-B, in quarters, gets $1,423.50, and a warrant officer of the same class in quarters, with a wife and two children gets $2,191.50. A private soldier, a trooper, gunner or sapper in quarters gets $474.50 if single, and if married with two children he gets $1,182.50. These amounts of course are exclusive of clothing, accommodation and subsistence. The complete table is as follows:

RATES OF PAY AND ALLOWANCES—CANADIAN ARMY

Rank	Pay per Diem	Allowances—Per Diem			Single—Per Diem		Married—Per Diem						Single—Per Annum		Married—Per Annum					
							In Quarters			Out of Quarters					In Quarters			Out of Quarters		
		Subsistence	Maximum Dependents	Maximum Children $12 per month	In Quarters	Out of Quarters	No Children	1 Child	2 Children	No Children	1 Child	2 Children	In Quarters	Out of Quarters	No Children	1 Child	2 Children	No Children	1 Child	2 Children
	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
	12 00	1 70	2 00	0 40	12 00	13 70	14 00	14 40	14 80	15 70	16 10	16 50	4,380 00	5,000 50	5,100 00	5,244 00	5,388 00	5,720 50	5,864 50	6,008 50
Colonel	10 00	1 70	2 00	0 40	10 00	11 70	12 00	12 40	12 80	13 70	14 10	14 50	3,650 00	4,270 50	4,370 00	4,514 00	4,658 60	4,990 50	5,134 50	5,278 50
Lieut.-Colonel	7 75	1 70	1 85	0 40	7 75	9 45	9 60	10 00	10 40	11 30	11 70	12 10	2,828 75	3,449 25	3,488 75	3,632 75	3,776 75	4,109 25	4,253 25	4,397 25
Major	6 50	1 70	1 65	0 40	6 50	8 20	8 15	8 55	8 95	9 85	10 25	10 65	2,372 50	2,993 00	2,972 50	3,116 50	3,260 50	3,593 00	3,737 00	3,881 00
Captain	5 00	1 70	1 50	0 40	5 00	6 70	6 50	6 00	7 30	8 20	8 60	9 00	1,825 00	2,445 50	2,365 00	2,509 00	2,653 00	2,985 50	3,129 50	3,273 50
Lieutenant	4 25	1 75	1 50	0 40	4 25	5 95	5 75	6 15	6 55	7 45	7 85	8 25	1,551 25	2,171 75	2,091 25	2,235 25	2,379 25	2,711 25	2,855 70	2,999 75
2nd Lieutenant	4 20	1 00	1 35	0 40	4 20	5 20	5 55	5 95	6 35	6 55	6 95	7 35	1,533 00	1,898 00	2,013 00	2,157 00	2,301 00	2,378 00	2,522 00	2,666 00
Warrant Officer, Cl. 1 "A"	3 90	1 00	1 35	0 40	3 90	4 90	5 25	5 65	6 05	6 25	6 65	7 05	1,423 50	1,788 50	1,903 50	2,047 50	2,191 50	2,268 50	2,412 50	2,556 50
Warrant Officer, Cl. 1 "B"	3 10	1 00	1 15	0 40	3 10	4 10	4 25	4 65	5 05	5 25	5 65	6 05	1,131 50	1,496 50	1,552 50	1,696 50	1,840 50	1,917 50	2,061 50	2,205 50
Regtl. Q.M.S., Staff Q.M.S., & Q.M.S.	3 00	1 00	1 15	0 40	3 00	4 00	4 15	4 55	4 95	5 15	5 55	5 95	1,095 00	1,460 00	1,515 00	1,659 00	1,803 00	1,880 00	2,024 00	2,168 00
Sqdn., Bty. or Coy. Sgt. Major	2 50	1 00	1 15	0 40	2 50	3 50	3 65	4 05	4 45	4 65	5 05	5 45	912 50	1,277 50	1,332 50	1,476 50	1,620 50	1,697 50	1,841 50	1,985 50
Sqdn., Bty. or Coy. Q.M. Sgt.	2 50	1 00	1 15	0 40	2 50	3 50	3 65	4 05	4 45	4 65	5 05	5 45	912 50	1,277 50	1,332 50	1,476 50	1,620 50	1,697 50	1,841 50	1,985 50
Staff Sergeant	2 20	1 00	1 15	0 40	2 20	3 20	3 35	3 75	4 15	4 35	4 75	5 15	803 00	1,168 00	1,223 00	1,367 00	1,511 00	1,588 00	1,732 00	1,876 00
Sergeant	1 90	1 00	1 15	0 40	1 90	2 90	3 05	3 45	3 85	4 05	4 45	4 85	693 50	1,058 50	1,113 50	1,257 50	1,401 50	1,478 50	1,622 50	1,766 50
Lance Sergeant	1 70	1 00	1 15	0 40	1 70	2 70	2 85	3 25	3 65	3 85	4 25	4 65	620 50	985 50	1,040 50	1,184 50	1,328 50	1,405 50	1,549 50	1,695 50
Corpl. or Bombr	1 50	1 00	1 15	0 40	1 50	2 50	2 65	3 05	3 45	3 65	4 05	4 45	547 50	902 50	967 50	1,111 50	1,255 50	1,332 50	1,476 50	1,620 50
L/Corpl. or L/Bombr	1 30	1 00	1 15	0 40	1 30	2 30	2 45	2 85	3 25	3 45	3 85	4 25	474 50	839 50	894 50	1,038 50	1,182 50	1,259 50	1,403 50	1,547 50
Tpr., Gnr., Dvr., Spr., Pte., etc	0 70	1 00	.....	.....	0 70	1 70	.....	.....	.....	.....	.....	.....	255 50	620 50	.....	.....	.....	.....	.....	.....
Boy																				

OFFICERS: Command Pay at $1.00 per diem and additional pay at $0.50 per diem for Adjutants and Officers extra-regimentally employed is also payable.
OTHER RANKS: Warrant Officers, N.C.O's and Men employed as tradesmen in capacities and under such limitations and conditions as authorized by the Minister, if qualified and approved by the Officer Commanding the unit to which they belong are entitled to receive tradesmen's pay at .25, .50 or .75 per diem, in addition to rates shown above.

Maximum—
$12.00 per month for 1st child } All ranks.
12.00 per month for 2nd child }
9.00 per month for 3rd child } Ranks below Warrant Officer, Cl. 1.
6.00 per month for 4th child }

Mr. HANSON (York-Sunbury): What is included in the term warrant officer? Does that include regimental sergeant-major?

Mr. RALSTON: The regimental sergeant-major, the regimental quartermaster-sergeant, the company sergeant-major, the company quartermaster-sergeant, the master gunner—I could give my hon. friend a complete list, if he wishes.

Mr. HANSON (York-Sunbury): That is sufficient.

Mr. RALSTON: The table shows the rates of pay allowed.

Mr. HANSON (York-Sunbury): Would the minister supplement that by a statement showing what is paid to the higher ranking officers, from a brigadier up to a full general? I do not know that we have a full general.

Mr. RALSTON: We have not.

Mr. HANSON (York-Sunbury): We have many major-generals.

Mr. RALSTON: Yes.

Mr. HANSON (York-Sunbury): The public would be interested in that information.

Mr. RALSTON: It is no mystery.

Mr. COLDWELL: Would the minister permit a supplementary question with respect to dependents' allowances? He probably has noticed my question on the order paper.

Mr. RALSTON: I am getting off the subject mentioned by my hon. friend; may I deal with it for a moment? With regard to pay and allowances I can say, without being euphemistic at all, that these matters are receiving constant study and attention. I certainly will give his observations every possible study. I am not holding out any hope, but with the situation as presented there are some points in connection with pay and allowances which I feel should be corrected. Certainly I will take my hon. friend's suggestion into consideration.

May I say this—and I do not say it by way of defence at all—that I believe my hon. friend will find the pay and allowances of soldiers in Canada's army are at least as high as and probably higher than the pay and allowances in other armies.

Mr. HANSON (York-Sunbury): Higher.

Mr. RALSTON: Probably. I have sent out for the information with respect to Australia, but I believe with the possible exception of Australia our pay and allowances are higher than in any other army.

Then, the question of dependents' allowances follows directly after the statement I have just made.

[Mr. Ralston.]

Mr. HANSON (York-Sunbury): Before the minister leaves the question of pay and allowances, sometimes it is alleged that there is discrimination between the pay in the army and in the navy. I have had many representations to that effect. I have been told with respect to that matter that when one considers the allowances received by men in the navy, which the men in the armed forces do not get, the pays are almost equivalent. However, I have never had that point demonstrated to me, if it is so.

Mr. RALSTON: In that connection I recall a conference I attended on that very subject when I held the portfolio of finance. Certain proposals were made with respect to the pay and allowances of one of the armed forces, and the treasury board insisted on what has just been suggested, namely a parity of the services. There is a difference in one respect with regard to pay in the navy, although I am sure I cannot remember the particulars now. I think, however, that when the pay and allowances are added up they will be found to be about on a parity. Possibly this is in the field of my colleague the Minister of National Defence for Naval Services, but I shall be pleased to get the information. I remember particularly one peculiar expression, namely an allowance for hard lying, which is awarded in the navy and not in the other services.

Mr. MACDONALD (Brantford City): Does that apply to the air force, too?

Mr. RALSTON: Yes, in the air force there are differences of pay, but not in equivalent ranks. It will be found there are a larger proportion of non-commissioned officers in the air force than in the army.

We are dealing now with the matter of dependents' allowances. The hon. member for Rosetown-Biggar asked a question which is on the order paper, and with which I shall now deal. No doubt his quesion arises out of a report he saw in the press, with regard to action which has been taken by the dependents' allowance board in respect of the allowances to the wives of soldiers who had enlisted in the West Indies, who had come to Canada, but whose wives remained in the West Indies. In that case the dependents' allowance board apparently made an examination of the cost of living in the West Indies as compared with the cost in Canada. The result was that they fixed the allowance payable to the wife at $20 instead of $35. A man with four children received allowances of $6, $6, $6 and $6 instead of $12, $12, $9 and $6. I may state frankly to the committee that the matter was brought to my attention

when I was on the train going to the eastern coast; I had not heard of it before. In common with many hon. members, I believed that so far as a wife was concerned, in practice the allowance of $35 was inviolate, and that that amount was not to be disturbed. I can recall an occasion in the house when I was explaining the difference between the allowance payable to a mother and the allowance payable to a wife. I said then that the allowance payable to a wife was not disturbed or reduced, no matter how much the private income of the wife may have been. It was regarded as a matter of right. That was the way I believed it to be.

The matter was brought to my attention, and I immediately wrote the dependents' allowance board. I also wrote the correspondent who had written me. I have taken up the matter with the chairman of the dependents' allowance board and with the government. My position—and it is one which I know will be supported by the government, and carried out by the dependents' allowance board—is that notwithstanding the fact that the terms of the dependents' allowance regulation provide that the amount to be paid to a wife is such amount as the board may allow, not exceeding $35, at the same time in practice my feeling is that that amount should remain stationary, regardless of the cost of living of a particular individual who happens to be receiving the allowance. That rearrangement is being made. I have never taken that position with regard to the children. It does depend, I think, upon the cost of living, and there is no doubt whatever that the cost of living in the West Indies is very considerably less. I have not come to a decision in connection with that point, nor has the government. As a matter of fact I had not brought that part of it up because I was particularly concerned with the allowance to the wife.

Mr. COLDWELL: You have not decided as to the children?

Mr. RALSTON: That has not been decided. It will be dealt with this week, as a matter of fact.

Mr. BOUCHER: Has the minister decided the position of a wife drawing dependent's allowance and working for a department of the government? Is it possible now for a wife getting a dependent's allowance to work for a department of the government and not have her allowance decreased or diminished by virtue of such other employment?

Mr. RALSTON: Previously a wife who was in the employ of the government could not get dependent's allowance, but I think that has been remedied. I just want to be sure that it has been remedied in full and that there is not some relationship between the salary received and the dependent's allowance.

Mr. HANSON (York-Sunbury): Where a member of parliament is serving in the armed forces his wife receives no dependent's allowance.

Mr. RALSTON: This is the reverse.

Mr. HANSON (York-Sunbury): I think this ought to be decided upon some principle. Assuming that the wife of an enlisted man or an officer is in the employ of the government and getting $1,800 a year, any allowance paid to her would be based more on her marital status than any question of necessity. Certainly there could not be any argument that it was necessary. I think these cases should be looked into most carefully. I do not say that she should not have it, but certainly she is not as much entitled to it as a wife who is not in the employ of the government.

Mr. RALSTON: The answer to that is that the wife can obtain employment in a civil institution or private firm and receive her dependent's allowance and salary as well.

Mr. HANSON (York-Sunbury): I admit that.

Mr. RALSTON: There is also the fact that the public service has been finding it a little difficult to get female employees. Obviously private industry could bid against it and would be in a better position when a wife seeking employment would be entitled to a dependent's allowance and salary as well. The case my hon. friend mentions is the reverse of this. Where a member of parliament, or anyone else, is in the army and is drawing pay from a public authority—I think that is the wording—the assumption is that he is in a position to support his wife.

Mr. HANSON (York-Sunbury): I am not complaining about that, but I think it should be understood, in justice to members of parliament—I know there is some criticism of members of parliament being in uniform and drawing the pay of their rank as well as sessional indemnity—and it should be pointed out authoritatively by the minister, that when these officers come to parliament they do not draw the pay of their rank. While they are serving in the army overseas their wives and children get nothing.

Mr. RALSTON: What my hon. friend says is absolutely true. The wife of a member of parliament who enlists in the army does not get a dependent's allowance. This applies not only to members of parliament, but also to members of the provincial legislatures, who get far less than members of parliament. There has been a ruling by the Department of Justice to the effect that provincial governments are public bodies within the meaning of the regulation.

Mr. DOUGLAS (Weyburn): I am not objecting to the rule applying to members of parliament, but I do know that this rule is working hardship on members of the provincial legislatures. The sessional indemnities paid by provincial legislatures are not large, and many of these women have the responsibility of looking after their husbands' constituencies. The minister knows from long experience what that means. I know of women in Saskatchewan whose husbands are overseas and who are deprived of dependents' allowances by virtue of the fact that their husbands are members of the legislature. It seems to me that while the rule ought to be applied in the case of members of parliament, some consideration ought to be given to members of the legislatures. There is considerable hardship in many cases because of the fact that the indemnity is quite small whereas the families to be maintained are quite large. It seems to me that some amount might be set; it might be said that if the amount received from a public authority was above, let us say, $2,000, a dependent's allowance would not be payable. In some provinces the indemnity paid to members of the legislature is only $1,200.

Mr. RALSTON: If you fix an amount and take into consideration the cost of living, then you have exactly, I assume, what the hon. member for Rosetown-Biggar (Mr. Coldwell) was objecting to. The idea is that a man receiving pay from the government by way of pay of rank, plus pay from a government authority, either the government itself or some other public authority, is in a position to provide a dependent's allowance, which is not so in the case of those who are not in that fortunate position. If you started out by saying that dependents' allowance would be payable if the amount received from a public authority was not more than $1,000, then you would have to provide also for the question whether or not there was other private income. I am saying, rightly or wrongly, that in connection with the allowances for these wives, I have felt that they ought to be treated as being inviolate. The regulations are there. That is the practice which we have instructed the dependents' allowance board to follow, and it will be followed so far as I have anything to do with the dependents' allowance people. I consider that that is inviolate, whether a wife is worth a million dollars or nothing at all. That is $35 a month she can depend upon, win, lose or draw, as some compensation for additional expenses because of the fact that her husband is away.

Mr. HANSON (York-Sunbury): It is based on a question of marital status, and that alone.

Mr. DOUGLAS (Weyburn): If that principle is applied to wives employed by government bodies, will some consideration be given to applying it to the wives of members of the legislatures, for instance?

Mr. RALSTON: She can go to another employer, but she cannot go to another husband.

Mr. DOUGLAS (Weyburn): It seems to me that if you are to apply the principle of the dependent's allowance being inviolate to a wife who is employed by a government body, it should also be applied to the wife of a legislator.

Mr. RALSTON: I meant the amount was inviolate. I had in mind a case—it may be the one my hon. friend is thinking of—of a member of a legislature out west, and I have also in mind the case of a member of the New Brunswick legislature in which it has been pretty hard going. I think the commission was accepted expecting that a dependent's allowance would be paid, and then it was found that it would not. In fact, in one case, I think the one out west, some refund had to be made and no doubt hardship was caused. I do not mind saying to the committee that I shall look into the matter again. I have every sympathy for the hardship cases if you can make a rule which is going to make bad law. The hard cases frequently do that.

Mr. DOUGLAS (Weyburn): Does a member of parliament who is overseas and not able to attend the house draw full pay?

Mr. RALSTON: I think there is a bill passed every session—I am not sure about this but I rather assume it is so—

Mr. HANSON (York-Sunbury): In the legislatures.

Mr. RALSTON: Yes.

Mr. HANSON (York-Sunbury): I think they pay in full.

Mr. MACDONALD (Brantford City): Does the member have to be overseas?

Mr. RALSTON: I have an idea that we pass an estimate at the end of the session to provide for those who are ill or who are absent through some cause beyond their control. I think they are included in that.

Mr. HANSON (York-Sunbury): I am sure they are.

Mr. COLDWELL: I am very glad to hear the minister's statement regarding the allowance to wives, and I hope that the same consideration will be given to the children. I feel this way about it, that if a man came from the West Indies, let us say, and volunteered for service in the Canadian forces, his family should be treated as our own Canadian families are treated. I am glad the minister takes the position he does, because I was afraid that this might extend to other parts of Canada where it might be claimed that the cost of living is lower than in some other places, and that we might reach right back on to the Indian reserves; we would then have a very complicated system of dependents' allowances.

There is dissatisfaction among the men in some quarters because they feel that the matter of leave is not sufficiently well regulated by the department itself. What I have in mind is this. At the end of six months a man may get, I understand, fourteen days' furlough. There are married men in, for example, the veterans guard. In some battalions or companies the commanding officer will allow men who are married and living home a day or two at a time as compassionate leave when they may go home and visit their families. There is provision for compassionate leave, I believe, in other respects. Some commanding officers give compassionate leave for sickness, or to attend to sickness at home, or whatever it may be, and make no deduction from the fourteen days' furlough which is coming to them at the end of a period of time. In other places that compassionate leave is deducted from the fourteen days' furlough, with the result that men who, perhaps because of sickness in the home, have had compassionate leave, find at the end of six months that they have no further furlough coming to them, while in other cases the commanding officers are much more lenient and do not deduct the compassionate leave. In my opinion some policy should be stated, particularly for the married men in the veterans guard. I suggest that where compassionate allowance is given for family reasons—good and sufficient reasons—commanding officers should be instructed not to deduct that compassionate leave from the fourteen days that a man gets at the end of a given period—say six months; I am not just sure on that point. Lack of uniformity in this matter sets a group in one company against a group in another company; it discredits, perhaps, one commanding officer and makes another popular. I think that kind of thing ought to be eliminated as far as possible. Would the minister give consideration to issuing an instruction that necessary compassionate leave, when given to these men, should not be deducted from their regular furlough?

Mr. RALSTON: I have just spoken to the adjutant general. He tells me that generally speaking compassionate leave or week-end leave is not deducted from the regular furlough. As a matter of fact the adjutant general's branch have now under consideration the whole question of leave. We have had some very great difficulties in connection with leave, simply because, for operational reasons, leave had to be postponed. I remember one battalion—I visited it—which had gone out west and which had nearly 400 men who had been waiting for furlough for some months after the time when they were entitled to it. We are endeavouring to see if we can "regularize" leave, as the adjutant general expresses it, and see to it that there is no discrimination. I assure my hon. friend that the point he has raised will be taken into consideration at the same time.

Mr. HANSON (York-Sunbury): It will have to be done under some general principle.

Mr. JOHNSTON (Bow River): I wish to ask the minister a question regarding a specific case which I have in mind. The wife of a soldier is acting as postmistress and for that employment gets a sum total of $100 a year. Is that $100 a year deducted from her dependents' allowance while her husband is in the army?

Mr. RALSTON: On that point I have just received a statement from the chairman of the dependents' allowance board. Somebody over here asked me about it, and I stated that I thought that remedial measures had been taken so that a woman in the civil service is not deprived of her dependent's allowance. I find that it is dangerous in these matters to rely on one's memory. Here is the statement:

> The dependents' allowance board advise that wives of soldiers who are employed under the civil service commission cannot draw dependents' allowances except they are employed as typists or stenographers grade 1, 1A, or 2. Clerks cannot draw allowances. Also exempt from order in council: certain laboratory workers in national research; employees of arsenals and munitions works; inspection boards of the United Kingdom and Canada.

The order in council is P.C. 6/1248 of February 18, 1941. It is a regulation made by the treasury board, not by the dependents' allowance board, and it is much more limited than I gave the committee to understand. The only persons who draw dependents' allowance if they are in the employ of the government are typists or stenographers grade 1, 1A or 2, laboratory workers in national research, employees of arsenals on munitions work, and in the inspection board. That this is a regulation, not of the dependents' allowance board but of the treasury board, indicates that the motivating reason for it was the necessity of getting female employees.

Mr. BOUCHER: Would not the minister take that matter into consideration? Now that we are so short of help, and where the soldier is doing his part, surely it is only a reasonable expression of the good-will of this house and the department to let women who could be employed in private enterprise work in the government service without reduction of their dependents' allowance. Surely we should not penalize a woman who is a soldier's widow and perhaps the mother of two children in getting what work she can in the service of the state, or handicap her in comparison with those who can get work in an industrial concern. The pecuniary consideration does not come into the question, because she might get more money in a private concern than in the government service. A woman should draw her $35 a month as of right, and if she works in the government or the civil service that allowance should not thereby be diminished.

Mr. RALSTON: I will take it into consideration. I am now only speculating as to what was behind the original regulation. But what was in my mind is that there were people seeking employment who found they were being competed against by those who were already drawing dependents' allowances and were taking positions as well. That was in the days when jobs were scarce. To-day employees are scarce, and evidently that is the reason for the loosening up of the regulation. I shall take it into consideration, but I would imagine the treasury board would consider it more from the point of view of getting man-power than from the point of view of changing the principle. I shall be very glad to bring the matter to the attention of the treasury board, with the representations which have been made.

Mr. NEILL: The minister, speaking a short time ago, alluded to an occasion on which he spoke in the house and to the record of *Hansard* where he said he had explained, or possibly he had endeavoured to explain, the difference between a mother's and a wife's pension. I would be awfully obliged if he would put on record the page of *Hansard* on which the remarks he refers to appear, so that I can look it up, and also if he would explain, perhaps once more, to the house—I know a number of members must be interested, because these cases occur repeatedly—the reason for the difference between the allowance granted to the wife, which is $35 a month, and the allowance granted to a dependent mother, which is $20 a month.

Mr. RALSTON: It is now $25.

Mr. NEILL: It is now $25. They have raised it? Yes, but both the $20 and the $5 are given only as a matter of charity, and there is a mass of red tape to go through. A man could get into the senate more easily than succeed in one of these cases. It is not right, and more than that it is a waste of time. I do not see why the woman should have to appear *in forma pauperis*. I have heard this referred to as a "lousy" $5, and I have received enough letters to fill a cabinet. In one letter I was told by an official that I did not appreciate the situation, that even I should understand that the responsibility of a man towards his children is naturally greater than any responsibility he may have towards his brothers and sisters. This was a case where the man was the only support of his mother and three children and had gone to the war. They would not give the allowance. My answer was that I was not talking about responsibilities. I said that I was aware of the difference in responsibility between the case of a man supporting his children and the case where his responsibility was only towards brothers and sisters. I said I was talking about dependency, and that argument was not answered. I said that the dependency if it existed in one case was equal to that in the other, and indeed in some instances it is greater, for this reason, that a young, active woman can get around and chop her own firewood and do her own washing and things like that, whereas an old woman is unable to do these things and needs medicine and so on. So far as children are concerned, I cannot see that because a child happens to be a brother or a sister that fact makes it any cheaper to keep that child than if the child were the child of the soldier. I have been given different arguments, one of which was that they did it in Britain. I do not know what they do in Britain, but we are concerned with what is done here in Canada. Now, I want some justification which I can give to this widow and the children. I have to say to them, "You are in a different class.

You may only get $20, or at most $25 handed out as charity, but the other person, the wife, can demand $35 by law." The minister said he was thoroughly convinced that wives should have as a basic sum $35 a month. I do want some explanation that I can take home to these people as to why dependent mothers are not treated in the same way. There are not so many, and Canada might afford it. It is not a matter whether he is responsible or not. The question is one of dependency and the government have admitted a certain amount of dependency. If the question is one of dependency, why not give her the same sum as the wife can claim as of right?

Mr. HANSON (York-Sunbury): May I add a word to that. Yesterday I was talking on the train to a young man who told me his story. Fifteen years ago he came from Glasgow, and he married his sweetheart also from Glasgow. They did not get along and she went home and he has not seen her for twelve years. She has never come back. Two children were born and his mother, who is a widow, took them after the wife left. This man enlisted. He had been earning $18 a week in a cotton mill—I forget what he was doing—and he was told that she would get $20 a month assigned pay, which was his, $20 dependents' allowance, and so much for each child. He assigned his pay and the mother gets so much for each child. She has never been able to get dependents' allowance although he was, I understand, the sole support of the family. It may be that twelve years ago his mother was able to work—I do not know about that—but the fact is that the dependents' allowance board draws a sharp distinction between the wife and the mother. Their rights are in entirely different categories. The wife has a legal right to support by her husband; the mother's right to support is based on another principle. My hon. friend objects to the words *ex necessitate;* he translates that into charity. I do not think it is quite that. Certainly the mother has not the legal right that the wife has, and that has been recognized in a degree; there is a discrimination in the amount. I am not objecting to the discrimination; there is a basic difference between the two.

All these cases of mothers' allowances and dependents' allowances cause members of parliament a great deal of trouble. They cause me much trouble, but fortunately I have somebody to help me. I should like the minister to give consideration to the question of the widowed mother who takes the burden in a case such as the one I have mentioned. The children of the enlisted soldier are in a different category from brothers and sisters of an enlisted man. Certainly he is legally as well as morally responsible for the support of his own children. I do not think there is the same obligation for the support of his brothers and sisters.

Mr. NEILL: The government takes it.

Mr. HANSON (York-Sunbury): Does the government take it? I can see a clear distinction between the case of children and that of brothers and sisters.

Mr. RALSTON: The passage in *Hansard* to which reference has been made will be found at page 205-06 of May 24, 1940. I am not sure that the question that has been asked was not answered then. The leader of the opposition has indicated the distinction. All I can say further is that in all pension legislation—and this applies to disability pensions as well, after the man has been discharged—so far as I know there has been a straight line of distinction between the basis of assessment for the mother and that for the wife. The wife being the direct dependent, literally, of the husband is entitled as of right to the amount which is set out in the statute; that is to say, in practice, whether or not the statute may be mandatory or permissive. The rule has always been that the wife was entitled to a pension of a certain amount regardless of her own income or her financial position. What applies to the mother applies also to the father, and I would point out that if my hon. friend's argument applies to the mother it applies to the father as well, and the father would be entitled as being in the category of dependents. He would be a dependent, regardless of how much income he might have, on the ground that his son was in the army. The right of the mother depends altogether on this question: Of what has she been deprived financially by reason of the enlistment of her son in the army? What the country does is to try to make up to her financially the support of which she has been deprived to the extent to which her son has been supporting her. That is a clear distinction, and the principle is altogether different from that on which the allowance is made to the wife. Certain cases arose, which the committee will recall, in which the son would have supported the mother had he been able to do so but he had been prevented by reasons beyond his control, and an amendment was made to the dependents' allowance regulations to provide that the board could ascertain whether or not, in their opinion, the son would have

supported the mother had he been able to do so; and if they found that was so, they made provision for her to the amount which would have been contributed had he been in a position to contribute. Now that is exactly the same practice, on all fours with the provisions of the Pension Act providing for dependents of soldiers after their discharge, and I think it has worked very well. It does of course require the assessment of the means of the soldier and of the needs of the mother, which is not required in connection with the wife, but it is a principle which has been in every piece of pension legislation that I know anything about. I think it is manifestly equitable because it endeavours to make up to the mother the financial loss she may have incurred by reason of the son's enlistment.

Mr. NEILL: In that case why was it raised from $20 to $25?

Mr. RALSTON: The maximum was raised. It was on the ground that here was something which had to do with the cost of living, because that was an up-and-down pension; it was not a fixed amount. The hon. member mentioned mothers' allowances; the $35 for wives in my judgment should not have been an up-and-down amount in practice. Then we have provided for supplementing that, in case the cost of living has gone up in a particular case, by the appointment of the board of trustees which deals with cases where the $35 is found not to be sufficient or particularly where there are emergent circumstances requiring assistance to the family from time to time.

Mr. LOCKHART: What are the trustees empowered to do? There seems to be some doubt about that.

Mr. RALSTON: The dependents' board of trustees have about as wide powers as any board could have. The board was appointed by order in council P.C. 18 of January 2, 1942. I will not read it all but sections (d) and (e) of paragraph 4 provide that the dependents' board of trustees—

—may pay such supplementary grants or give such special assistance not provided for by the marriage allowance or dependents' allowance regulations as it deems necessary to or on behalf of or for the benefit of the dependents of ratings in the navy or dependents of soldiers and airmen below the rank of warrant officer class I in the army and the air force in those cases where the board of trustees is satisfied that such supplementary grants or special assistance are necessary to prevent hardships arising because of unusual circumstances or to relieve misfortune and meet domestic emergencies, including serious illness of a member of the family, or to assist a mother whose dependent's allowance has been reduced by reason of the prior claim of more immediate dependents of the son;

To determine subject to the approval of the Minister of National Defence the terms and conditions upon which special advances may be granted to the local and regional dependents' advisory committees for the purpose of enabling the committees to provide supplementary grants or special assistance in cases of temporary emergency requiring immediate remedy not provided for by the marriage allowance or dependents' allowance regulations to the dependents of ratings in the navy or dependents of the soldiers and airmen below the rank of warrant officer class I in the army and air force, and, subject to the approval of the Minister of National Defence, to make such advances from time to time in accordance with the terms and conditions so determined.

Mr. LOCKHART: Do I gather that they can give supplementary aid in addition to providing such things as teeth and glasses? The interpretation given in some places I believe is that only such articles of necessity are provided but no supplement to the $35 is provided.

Mr. RALSTON: Oh, yes. I am very much surprised to hear that. It is giving me information which I am sorry to hear, but I am glad to have.

Mr. LOCKHART: I will give further information on that.

Mr. RALSTON: As I think hon. members know, the board operates through regional advisory committees. The board is composed of a representative group of citizens who have had a great deal of experience in connection with the administration of matters of this kind. The board consists of: Chairman, Dr. Weir of Vancouver; A. H. Brown, formerly acting chairman of the Dependents' Allowance Board; Mrs. Catherine R. Collier, of Bracken, Saskatchewan; Madame Forget of Montreal; Philip Sydney Fisher of Montreal, who has been very active in connection with welfare work for a number of years; John Walter McKee of Ottawa; Lt.-Col. Joseph Gustave Raymond of Ottawa; Frank N. Stapleford of Toronto, who has had long experience there in connection with the Neighbourhood Workers Association, and J. Douglas Winslow of Woodstock, New Brunswick, the representative of the Legion. The dependents' board of trustees is at present established in the following cities: Charlottetown, Halifax, Saint John, Quebec, Montreal, Ottawa, Kingston, Toronto, Hamilton, London, Port Arthur, Windsor, London, Winnipeg, Regina, Saskatoon, Edmonton, Vancouver and Victoria. I am advised that applications are coming in and being dealt with promptly by the board. They work independently of the dependents' allowance board but are in the same build-

ing and have the benefit of the files and organization of the dependents' allowance board. From the reports I get they are filling a real need in connection with emergencies and special cases where assistance is needed for dependents. The idea was that "he gives twice who gives quickly", and there is provision that the regional board themselves can make if necessary special advances of money to assist in urgent cases of need and misfortune.

Mr. FRASER (Peterborough West): In the air force if a man is reported missing, say on January 1, the assigned pay to the mother is cut off and she cannot get his effects or anything else for six months. Does that apply in the army and the navy? Why does it apply at all? It seems very unfair. The mother has to make other arrangements in order to live. If the man is reported a prisoner of war the assigned pay goes on, but if he is killed or reported missing the mother does not get anything.

Mr. RALSTON: I shall have to inquire and advise my hon. friend about that. I cannot tell him at the moment.

Mr. MACDONALD (Brantford City): I noticed in the press this morning a picture of a soldier in the new uniform. He looked very smart and I wish to congratulate the minister and those responsible in his department upon making it possibe for our soldiers to have respectable walking-out uniforms. It will add greatly to the morale of the troops and to the discipline. It never did seem to me fair that a soldier should have to wear the same clothes to go down town at night that he has worked in all day. A man working in a factory changes his clothes at night, puts on walking-out clothes, and it is only right that such conditions should prevail for our soldiers. I think this is a great step forward. Have these walking-out uniforms been issued to all units in Canada, and are they issued or to be issued to our troops overseas?

Mr. RALSTON: The answer to the first question is no; they are being issued just as fast as they come in, but as yet they are coming in only in comparatively small quantities. I think the number of jackets on hand at this moment is seven thousand. That is the limiting factor. As a matter of fact there has been some delay, which I am not going to dwell upon here, but which I think could have been avoided. It has nothing to do with the Department of Munitions and Supply or with the manufacturers, directly; but a situation which I think requires looking into has caused the delay in reference to manufacture. The matter is receiving the personal attention of Mr. Eaton, the co-director general of the purchasing branch of the Department of Munitions and Supply.

The answer to the second point is that the walking out dress, as at present devised and planned, is not being issued to our troops in England. Hon. members will understand that with the overall and two suits of battle dress, the man already has a considerable weight to carry around. There is no question of parsimony in the fact that it is not being issued; it is because it is not regarded as practical.

Mr. GILLIS: I wanted to say a few words while we were still on the question of dependents' allowances. There are many ramifications to the minister's department, and I think it would be well if we kept to one question at a time and endeavoured to settle it.

There is a matter in connection with dependents' allowances which I brought to the attention of the minister last year and which I want to bring to his attention again. Personally I find that this is causing considerable hardship on dependents; I am referring to the men who go absent without leave. After a man is absent without leave for twenty-one days he is posted as a deserter, and his pay and the dependents' allowances are cut off. As I see it, the man is not punished at all, except by being confined to the guard room. He is fed; he is clothed; he is kept comfortable, and he has no worries. The family, however, is left on the outside, perhaps a wife with four or five children, having to go for three or four months at a time without any allowance or any income whatever. She has the family to provide for, children to send to school and so on, and in many cases she must go to the municipality and seek relief. If every hon. member receives as many letters and protests from dependents in this connection as I do, there are many cases of hardship across Canada. I receive perhaps three or four cases a day.

Mr. RALSTON: Not of this kind.

Mr. GILLIS: Yes; there is no doubt of that.

Mr. RALSTON: Not cases of men in detention?

Mr. GILLIS: Yes, cases in which allowances have been discontinued. If the minister will check with the board he will find that to be true. Perhaps we are getting them all down in Cape Breton; perhaps soldiers in other parts of Canada do not go absent without leave.

Mr. RALSTON: My hon. friend is perhaps a little enthusiastic.

Mr. GILLIS: Only to-day I had occasion to write to the board in connection with four separate cases, and I am at it continuously. Last year I suggested to the minister that the man himself should be punished instead of the dependents. If the man can just spend his time in the guard room, then step out and have his pay start again, it is an encouragement to him. I suggested last year, and I suggest again, that the dependents' allowance should not be touched. If a man goes absent without leave he should serve his sentence. His pay should be discontinued, and if he is fined a certain amount of money he should not receive any pay until such time as that fine is paid, after he returns to duty. It is a deplorable situation to have a woman come to you and say, "It is three or four months since I received any allowance. My husband is in the guard room. I have written to the board." In those cases the dependents are really taking the punishment. The sergeant-major is responsible for discipline. If the man were at home the wife would see to it that her husband got to work, and if the sergeant-major cannot keep him on duty the wife should not be punished because of that.

Mr. GRAYDON: She should not lose the assigned pay.

Mr. GILLIS: Certainly not, but she does. While I am on my feet there is another matter I should like to mention, because it is not so easy to get the floor. I refer to the unreasonableness of the sentences that are meted out to young boys who go absent without leave. Only to-day I had occasion to write the minister with respect to one case that came to my attention. The mother wrote that she had a young boy in the army in Halifax, which is in military district No. 6. He went absent without leave; she did not say for how long. He was taken back to Halifax and kept waiting in the guard room for sentence for three months after being tried. Then he was sentenced to nine months' detention. In my opinion the crime of being absent without leave in Canada, in the case of a young, inexperienced soldier, does not merit a sentence of a year in the guard room. As I see it, the army is not making a soldier of that boy or any other boy dealt with in that way. It is making a rebel of him, and there may be considerable trouble with him in future. There are other measures that should be taken to handle boys who commit offences of this kind. The psychological approach is the proper one. That is not an isolated case; I have had several of them. As I say, I have written the minister with regard to this case, giving him the details, but I believe he should check up on the matter in the various districts in order that young boys who never had jobs, who never had any discipline, who get into the army away from home for the first time and perhaps get some money for the first time and then go absent without leave for the first time, should not be dealt with as though they were old, hardened, seasoned soldiers who understand K.R. and O. from cover to cover. I bring this to the minister's attention, and leave this thought with him.

Mr. RALSTON: First with regard to the question of cutting off dependents' allowances; this is one of the cases in which one hesitates to express an opinion because of the fact that it appears rather obvious that some remedial measures should be taken. I am not going to express any opinion until I am better acquainted with the facts, but I would ask my hon. friend to give me say three of the cases he mentions, the three worst ones if he wishes. I appreciate that with regard to the court-martial case he has written me already, giving me the name of the soldier involved. I shall be very glad to look into that matter, because there again on its face it would seem that the sentence was entirely too severe. As I remember it, these sentences have to be confirmed by headquarters.

Mr. FRASER (Peterborough West): I have had a few cases where the dependents' allowance has been cut off and the citizens have had to come forward and raise the money necessary to look after the wife, the innocent bystander, as it were, and the children. She has had to suffer for what her husband has done. I honestly feel that something should be given the wife in order to carry her over, even if it has to be taken out of the husband's pay later on.

Mr. RALSTON: Just to get it on the record, I think it was the hon. member who just spoke who asked with regard to the practice in the army in connection with a man reported missing. In the case of a man reported missing, the pay and allowances are continued until such time as he is reported found or reported dead.

Mr. FRASER (Peterborough West:) That is in the army?

Mr. RALSTON: Of course it is understood that after a certain time he is presumed dead and appears as such in the orders, from which time the pay and allowances are discontinued.

Mr. BENCE: Does the same thing apply in the air force?

Mr. FRASER (Peterborough West): No, it does not.

Mr. ROSS (St. Paul's): I should like to add a word to what was said by the hon. member for Peel with regard to the cost of living bonus for dependents of soldiers. I should like to point out that although the general index increased by fifteen points, the weighted food index compiled by the bureau of statistics increased by twenty-three points. The man himself, of course, is out of the picture; the government are taking care of him, his clothes are being bought, and all that sort of thing. But the cost of living really is up 23 per cent in connection with the food that has to be bought for the family. For the life of me I cannot see why we should give the civil servants of Canada the cost of living bonus while we refuse to give it to the dependents of our soldiers. They have just as much right to it as any other persons employed by or under the direction of the government.

Mr. GRAYDON: Far more right.

Mr. ROSS (St. Paul's): Yes, as my hon. friend says, far more right. In my constituency I have received many communications respecting mothers' allowances, and I must say that in dealing with them I have received the most courteous treatment from the board and from others in charge. There is one point however which I cannot understand: they always say, "It comes down to a consideration of what she has been deprived of." Is this matter to be judged only from the point of view of what the mother is not getting from a boy who has joined the forces? The mother will get older, and I am wondering how she will be dealt with in a year or two. In the ordinary course of events she will suffer from losing that boy, and from having him away from her. Is she not entitled to a dependent's allowance, just as much as a wife would be? It seems to me that these points should be considered.

Then, some matters have arisen in connection with dependents' allowances. In my constituency to-day it is difficult to get living accommodation—rooms, houses or flats. In fact it is almost impossible to get accommodation anywhere. And I am as sure as I am of anything that the ceiling on rents is in many cases not being enforced. This sort of thing is bound to happen: an owner will want more money for his flat. It is all very well to say that he cannot have more, but he may make it so uncomfortable for the tenant by depriving him of hot water and other necessities that he must leave. In these circumstances I suggest there should be some authority in the army who could bring cases of this kind before the rent control board.

Speaking in the house a few days ago the minister referred to the impossibility of obtaining reduced fares on the railways. Well, Mr. Chairman, every day of the week business men are commuting from Oakville and other outside points to Toronto, and they enjoy reduced commutation rates. Similarly, business men travel between Dorval, Lachine and other points and Montreal.

What can the men do who get week-end leave from Camp Borden? There is nothing much for them to do, with the exception of going to Barrie. That is about as far as they can go, because in these days they cannot get motor cars to come to Toronto. Motor car traffic is becoming less frequent. If business men can obtain commutation rates on a basis of a cent a mile return, or something like that, from Oakville, Port Credit and other outside points, to my mind there is no reason in the world why certain trains could not run at week-ends to take the soldiers to Toronto for about fifty cents return, or possibly less than that. I believe that is one solution of the problem.

Before gasoline restrictions came into effect the people in the Muskoka district, around Camp Borden, were most generous; they did not hesitate to fill their cars with soldiers when they had the chance to do so. Under present restrictions however, because of a shortage of gasoline and tires, the men will not be able to travel as much as they did. I suggest the minister should take this matter up with the railways, to see if they will not do something about it.

Mr. GRAYDON: Would the minister answer my question respecting embarkation and furlough leaves? Is the time used in travelling taken out of those leaves, or added on?

Mr. RALSTON: They are given extra leave to compensate for the time taken in travelling.

Mr. GRAYDON: Is that full compensation?

Mr. RALSTON: Not in every case; I shall find out exactly the number.

Mr. PERLEY: I have found the discussion most interesting, and I have no doubt all hon. members have had representations with respect to dependents' allowances. I should like now to ask the minister what would happen in certain circumstances which I shall outline to him. A widowed mother in my home town had three sons. At the time of

the outbreak of war the second son was the only wage earner. The youngest boy was going to high school and the oldest had spent one year in university. At the outbreak of war the second son enlisted. It was not until a year ago that we succeeded in persuading the dependents' allowance board in Ottawa that the widow should receive some allowance. Her husband had left very little insurance, and she had taken out so much per month. The board maintained at first that so long as she had some income from that source she should not have consideration. When that money ran out about a year ago the board put her on an allowance of about $20 a month, I believe. About a year ago the youngest son became of age to enlist, and did so. He was transferred to Montreal to act as instructor in the Royal Canadian Air Force. The other son continued his studies at the university, and after graduation joined the forces.

Mr. RALSTON: The air force?

Mr. PERLEY: No, I believe he joined some other branch of the service; he had studied pharmacy. The boy who had been overseas contracted either stomach or tubercular trouble, and about a week ago landed back in Halifax on sick leave. The first information the mother had that the son was coming back to Canada was a wire from Halifax to that effect. A few hours later she received a wire from Montreal stating the boy had been taken off the train and had been sent to a hospital in that city. A couple of days before I left home she received a further wire from the doctors at the hospital suggesting that she come right away, because her son was dying. A few of the business men hustled around and sent her off by aeroplane that night. I have received word to-day that the boy is dying.

What consideration will that mother receive? The youngest son is in the air force, and the eldest boy is in one of the services. If the second son dies what will the mother receive? Will she receive special consideration on account of this boy, who was the only wage earner? The other boys have never earned money which they could turn over to her.

Mr. RALSTON: I do not wish to evade the issue, but the hon. member is really asking me what the pension board will do.

Mr. PERLEY: Yes.

Mr. RALSTON: This would not be a case for the dependents' allowance board. I am not in a position to say what would happen. I do not wish to embarrass the pension board one way or another by attempting to guess what it should do. The hon. member says he was in the air force?

Mr. PERLEY: Yes.

Mr. RALSTON: I cannot tell, either, what the air force would do with regard to payment under those circumstances. I am afraid I shall have to refer the matter to the Minister of Pensions and National Health.

Mr. PERLEY: Will it come before the pension board?

Mr. RALSTON: Yes.

Mr. PERLEY: Will the fact that the other two boys are enlisted affect her allowance?

Mr. RALSTON: Does the hon. member mean the pension to be paid her?

Mr. PERLEY: Yes.

Mr. RALSTON: I cannot tell my hon. friend, and there is no use in my trying to guess. I assume there is assigned pay.

Mr. PERLEY: Yes, I believe so.

The CHAIRMAN: I have not wanted to interfere so far because of the latitude which has been granted to hon. members, but I would draw the attention of hon. members to the fact that the last question is clearly beyond the purview of the resolution before the committee. If we carry on as we have been for the last hour or two we are bound to have a tedious repetition of questions that will be raised when the estimates of the Department of Pensions and National Health are being considered. The purport of the resolution is to provide $1,500,000,000 so that the government may carry out the war effort of Canada. While questions dealing with general principles involved in these expenditures are in order, and while we do not want to draw the line too tightly, it seems to me that hon. members should cooperate to help the committee dispose of its work.

Mr. GREEN: I should like to approach this question of what consideration ought to be given to the men in the fighting forces and their dependents from a slightly different direction than has been followed this afternoon. There is now in Canada a boom, and this boom has been on for several months. Much money is being earned, much money is being spent and much money is being saved, all of which is as it should be. I have no fault whatever to find with that state of affairs, but I suggest to the ministry and to the private members of this house that there is an uneasy feeling growing up across the country

that the men in the fighting forces and their dependents are being left behind. I suggest that this whole matter should be approached with this question in mind: is it or is it not a fact that the men in the fighting forces and their dependents are being left behind in this boom which has developed in Canada?

Members of the house also should ask themselves this question: is there in this nation at this time equality of sacrifice? Those of the present house who were members of the last parliament will recall that when the question of Canada's declaring war was discussed in this house the thought uppermost in the mind of practically every member who spoke was that whatever happened there must be equality of sacrifice in this war. We had memories of the last war of 1914-1918, memories of the profiteers and the hardships suffered by the men who did the fighting and their dependents, and there was a firm resolve on the part of those who were in the house in the fall of 1939 that there should be equality of sacrifice in this war.

I have reached the conclusion that there can be no equality of sacrifice, because no matter what sacrifice is made by those who stay at home, the greatest sacrifice is being and will be made by the men of the fighting forces and their dependents. I think that Canadians on the home front realize that fact instinctively, and they are quite right in having this uneasy feeling that the soldier, sailor and airman, and their dependents are being left behind. This feeling will grow as we have more and more men going into the forces, as heavier casualties are suffered and as Canada really gets into the business of waging war on an all-out scale. So I suggest that the members of this house, and particularly the private members of this house, should realize that such are the facts and insist that leadership be given by the ministry in remedying this situation and in making sure that the fighting man and his dependents are not left behind.

There are several ways in which such an objective can be reached. I do not pretend to have all the solutions, but I should like to suggest four. First of all, I suggest that the ministry give the most careful consideration to providing post-war credits for the men in the fighting forces, what the hon. member for Peel (Mr. Graydon) referred to as a nest-egg. While this idea may be comparatively new in Canada, it is not new in Great Britain. A few months ago, on February 10 of this year, the Prime Minister of Great Britain, Right Hon. Winston Churchill, announced in the British House of Commons that a new policy along this line had been adopted by Great Britain. I propose to quote a paragraph from the speech he made on that occasion; hon. members who would care to check it up will find it at page 1399 of the British *Hansard*. The Prime Minister said these words:

> We have sought also for the best way of meeting the criticism—with which I must say that I personally always felt much concerned and very much disturbed about—that service men are at a disadvantage, by comparison with civilians, in regard to the provision which they are able to make for the financial needs which they will have to face after the war. To my mind, it would be a very anomalous and invidious situation if those who had worn uniform had no nest-egg and everybody else had one as a result of savings from higher pay or through the income tax credits. We have decided to institute a system of post-war credits under which a sum of 6d. per day, or approximately £9 a year, will be set aside for all other ranks and ratings; the sixpences will be accumulated on behalf of the men, and will form a nest-egg available for use after the war and after discharge from the forces. It is the intention of the government that the introduction of this credit shall not prejudice the question, when the time comes to consider it, of granting a war gratuity to the forces on appropriate lines. The cost to the public of this bonus will be £32,500,000 a year.

I realize that every hon. member is sympathetic to suggestions of this type and so I shall presume to read also from a white paper which was published by the British government at the time of this speech from which I have just quoted. This white paper sets out the story quite well and I suggest that it sets an example which Canada might very well follow. I read from that portion entitled "Post-war credits", as follows:

> His Majesty's government have also given careful consideration to the question whether, in addition to these immediate improvements with respect to compulsory allotments and to allowances made in respect of children and dependents, any measures should be taken to enable men and women in the ranks of the services to accumulate sums for use after the war in the same way as is now possible for civilians.

I break into my reading of this white paper for a moment to say that this question comes up in connection with men who have obtained war work and are getting good salaries. No one has any complaint to make about that, but the comparison is always made between them and the men who are serving in the forces. The white paper goes on:

> His Majesty's government regards this as a most desirable object.

If it is desirable in Great Britain, it is certainly desirable here. I continue:

> The period of reconstruction after the war will produce problems of readjustment for many of our people; and personnel of the armed forces will clearly be affected in this way. His

Majesty's government feel therefore that in addition to the improvements announced above and to the revised war service grants scheme introduced in October, 1941, some financial aid should now be provided for other rank members of the forces against the needs which will arise in the period of post-war readjustment.

They therefore propose to introduce a system of post-war credits for the forces which will be of a simple and straightforward character. Under this system there will be set aside for all ratings and other ranks a sum of 6d. in respect of every day of paid service from the 1st January, 1942. In the case of the women's forces the sum will be 4d. per day, following the two-thirds principle adopted for basic pay and war pay. The sums so set aside will be accumulated and will be made available to the individuals concerned after the war and after discharge from the forces.

The method of payment of the credits will follow that which is to be adopted in the case of the special credits associated with the increases in the income tax made in the last budget—i.e. they will be made available to the individual in the form of a deposit in the post office savings bank (or in such other institutions as may be approved for the income tax scheme).

Why would it not be possible in Canada to provide these credits in the form of war bonds or war saving certificates which could be held for the fighting men?

The white paper concludes:

Arrangements will be made for the credits to be specially released to persons invalided out of the forces or to the estate in the event of death.

The minister has explained this afternoon that Canada goes part of the way along that road, in that she holds back some pay from those of our men who do not assign any of their pay, but I suggest that we go much further and make an extra payment to all our men in the form of a post-war credit, much in the manner that the British government has done.

The second suggestion is that steps should be taken to extend the wartime housing work so that it will help the dependents of these men in the forces. That scheme was initiated last year, but the Minister of Munitions and Supply explained on March 7 that it was meant only to help men in war industry. As reported in *Hansard,* page 1454, he said:

I should like to emphasize that this is not a general housing project but is confined solely to housing that is found necessary for the successful prosecution of the munitions programme.

He repeated the same statement last fall, when he said, as reported at page 4229:

These houses are entirely for the purpose of housing munitions workers.

Well, this position has arisen, that soldiers' dependents are being forced into the poorer houses. There is a demand for houses to rent, and as higher wages are being paid to civilian workers the soldier's wife goes down the scale and is forced to rent poorer and poorer accommodation. I suggest that the work of Wartime Housing Limited be extended so that some provision can be made for the dependents of men in the fighting forces. These dependents should have suitable living quarters at a low rental, and now is the time to get busy on providing them with that type of accommodation.

The third suggestion is that Canada should pay an allowance for all the children of the man in the fighting forces. In Great Britain they do that. The scale of pay there is seven shillings and sixpence per week for the first child, five shillings and sixpence for the second child, four shillings for the third child and for any subsequent child. In Canada at the outbreak of war the government adopted a policy of paying an allowance for only two children, the idea being to restrict the enlistment of men with more than two children. I have never been able to see the wisdom in that policy, because the man with more than two children was allowed to enlist, but when he had enlisted no allowance was paid for more than two children. That in effect made his dependents pay the shot for his enlistment. I believe the policy was based on the wrong line of thought. The Minister of Finance repeated the same policy last fall when he announced that Canada would pay an additional allowance for the third and fourth child. He used these words in stating, at page 4424 of *Hansard,* that the government would not pay for more than four children:

—because we believe that definite steps should be taken to discourage the recruiting of men with large families.

The fair way to handle the problem, if it is a problem, would be to say, "We will not take any men who have more than four children." Then there could be no hardship suffered by the wife and the children. But if the government does not wish to do that, I suggest that it follow the British practice and pay an allowance for all the children, no matter how many there may be.

Mr. RALSTON: I did not get my hon. friend's point. He was making an alternative suggestion; what was it?

Mr. GREEN: My suggestion is that the minister should pay an allowance for all the children, no matter how many there may be.

Mr. RALSTON: I got that. But I thought he said, "in the alternative".

Mr. GREEN: I suggested that if the government was not prepared to do that, men with more than four children should not be taken into the forces.

The fourth and final suggestion has to do with a cost of living bonus for the dependents. That has been covered fully already by other speakers this afternoon, so I shall not take any time on it other than to say this. Canadian wage earners are getting this bonus as a matter of right. It is not a question of dragging a wage earner before some board and finding out whether his family are hard up or whether there is some other reason why he should get the bonus. He gets that bonus as a right; and in my opinion the members of the fighting forces should be placed in the same position—their dependents should get the cost of living bonus as of right. At the present time an increase is given only in the hardship cases, which means that there is a means test, and that, I submit, is not the proper procedure to follow.

Those are the four suggestions. Many others might be made, and I would urge private members not to be bashful in bringing forward proposals for the improvement of the lot of the fighting men and their dependents. Some will say that changes like these cost money. That is quite true. But I thought that great Canadian, Stephen Leacock, put the situation very clearly in one of his articles which advocated equal pay for the fighting men, when he stated, towards the end of the article:

> But even if it looks too great a financial burden we must pick it up anyway. We who can do so little while they go to do so much, have no choice. Surely we can face a deficit for those who face death.

I appeal to hon. members to bear in mind those three words, "equality of sacrifice", at all times when questions of this type are being considered, and I should like to suggest to them that at all times our main concern in this house should be to help and take care of these fighting men and their dependents.

Mr. DOUGLAS (Weyburn): The members of this group would like to associate themselves with the other hon. members who have pressed upon the minister consideration of the cost of living bonus to dependents. We raised this question last year. I do not want to labour it again now, but certainly it is worthy of consideration. The hon. member for Peel (Mr. Graydon) said that the general cost of living had gone up 15 per cent since the beginning of the war. One of the western newspapers made a survey last August in the stores in the city of Winnipeg of the thirty-eight commodities which people buy most commonly in these stores—that is, the things which the common people buy. It was found that on these commodities the cost of living had gone up at that time 22 per cent since August 1939. There is no doubt that the woman who is supporting a small family and whose husband is overseas has actually less purchasing power to-day in her allowance than the purchasing power which she received when her husband first joined the army. I hope the government will give consideration to this matter.

I want to ask the minister two questions; they are not related, but I thought I would double them up together because a number of hon. members will want to ask the minister questions. The first is with relation to the men overseas. I have had letters from a number of men overseas, and with hardly a single exception they have all mentioned the same thing with regard to the question of living allowance when they get leave overseas. A part of their pay is deferred. I was under the impression that all had some part of their pay deferred irrespective of how much earned pay they had, but the minister says that is not correct. These men had a certain amount of pay deferred and received only a small part of their pay. It took nearly all of that pay to buy necessities such as cigarettes, shaving materials and so on, and when they were granted leave they were not given any living allowance. I understand that in the British forces some living allowance is granted. These men I am speaking of are not given any, and a number of them actually found that it was better to stay in camp, but then they discovered that they could not stay in camp because the quartermaster's stores did not assign supplies for them on the ground that they were not on the roster for those particular days. For that reason they could not remain in camp. The complaint was that a good many of them who got leave would have liked to go to London or Glasgow but could not do so unless they could borrow money from their comrades or make other arrangements. Will the minister give consideration to that? I am citing the facts as they have been given to me in correspondence. The minister can check them up.

The other matter I want to mention has no relation to pay and allowances. I wish to raise the question of what coordination is taking place in the Canadian army that is being set up in England. One of the greatest military problems which the united nations have faced is that of unification or coordination of command. In reading Lord Gort's report, one of the things with which the reader was impressed was not only the lack of air power during those fateful days when France fell, but the fact that the commander in chief did not have the control and disposition of that air power because the Royal Air Force was under a

different command. The escape of the *Gneisenau* and the *Scharnhorst* a few weeks ago raised the same question in Great Britain. There they had three general staffs, and there was a feeling that there was not sufficient coordination and there might be need for complete unification of command. There is no doubt that if the Canadian troops go into a theatre of war, their success and indeed the lives of the men will depend to a large extent upon the amount of air support they get and whether or not the commander in chief has at his disposal that air support.

In the Canadian army under General McNaughton, will the Royal Canadian Air Force operating there be under his command or under the command of the Royal Air Force? Will he have, as army commander, control and disposition of the Canadian air forces, or will he depend upon the general staff of the Royal Air Force for such air support as they care to place at his disposal from time to time? That is important. No one doubts—and we say it with pride—that if operations are opened in Europe, the Canadian troops will be in all probability in the vanguard, and we owe it to these men and to their chances of success to see to it that they have the best type of air support and that there is complete synchronization in all branches of the service. That is possible only if the commander in chief has some voice and has under his command complete control of the Royal Canadian Air Force.

Would the minister now tell the committee about the new organization that is being set up in Britain in connection with the Canadian army under General McNaughton; what will be the position of the commander in chief with respect to the Royal Canadian Air Force, whether they will be under his command or whether they will continue under the Royal Air Force? Will General McNaughton depend upon them for such support as they choose to give from time to time?

Mr. RALSTON: I cannot go very far into the question my hon. friend has asked except to say that the Royal Canadian Air Force will not be under the command of General McNaughton—that is to say, the Royal Canadian Air Force as a whole. Most of the Canadians who go over under the joint air training plan become members of the Royal Air Force. There are 28 squadrons of the Royal Canadian Air Force which are operating with the Royal Air Force.

So far as the Canadian army is concerned, plans for the present time and for the immediate future have been discussed. The whole matter was discussed with General McNaughton when he was here, and definite representations have been made. As regards the Royal Canadian Air Force, there is no difficulty. With regard to certain units being attached to the Canadian army for specific operation with the Canadian army, I cannot give the number, but it is a substantial number, which was to be increased as the organization developed.

Mr. HANSON (York-Sunbury): Forming part of the Canadian army but under the direction of the Royal Air Force.

Mr. RALSTON: This was to be under the strategic control of the army commander.

Mr. DOUGLAS (Weyburn): The army cooperation squadron.

Mr. RALSTON: And bombers too, of certain types. That is the situation. The arrangement has not been completed at the moment, but the Royal Air Force is still in that picture, because the Royal Canadian Air Force is operating with the Royal Air Force at the present time. I anticipate an arrangement will be made which will be satisfactory to the army commander. It is definitely in the mind of the Royal Canadian Air Force, and we have it in mind and want to arrange to see that proper air support and cooperation are provided through squadrons with the Canadian army.

Mr. COLDWELL: Is anything being done to train officers in ground regiments in air operations? Is there coordination of that type in connection with the various forces? The Russian and German armies provide that their officers shall receive some training in the three forces, the ground forces, the air and the navy, so that there may be coordination in their activities.

Mr. RALSTON: I am instructed by the vice-chief of the general staff, recently returned from England, that in our army we are not teaching our own officers, but sending our officers to schools conducted by or under the direction of the Royal Air Force for the purpose of liaison with the Royal Air Force. They are learning all types of cooperation which are useful, and flying with them as well, so that the training may be coordinated, and in order that they may become acquainted with one another and understand the methods of operation of the air force.

With regard to living allowances on leave I must confess that that is a new subject to me. I have heard almost all sorts of suggestions with regard to leave but not that suggestion before. I have inquired whether it is done for the United Kingdom forces and am unable to get the information at the moment. I shall inquire into the matter. My hon. friend will, however,

realize that rates of pay for United Kingdom forces are far different from our own. Nothing illustrates that better than the figures given by the hon. member for Vancouver South. For instance, a dependents' allowance of 7/6 per week for the first child would come to about $5 a month in Canadian funds, whereas our amount is $12. I mention that only to indicate that what is done for the United Kingdom forces in a matter of that kind would not be a precedent for us having regard to the very much larger amount of our pay and allowances. I shall, however, look into the situation with a view to giving it consideration along with these other matters.

Cost of living bonus has been dealt with. All I can say is that the measure announced by the Minister of Finance, the appointment of the dependents' trustee board, was intended to provide for cases where the dependents' allowance did not cover the situation and, as the minister frankly told the house and the country, the idea was not to make a uniform increase but to deal with cases on their merits.

Mr. HANSON (York-Sunbury): Individual cases.

Mr. RALSTON: Individual cases, because it was felt that the $35 paid the wife—and I cite this in support of my contention that the $35 should be $35—was being paid already, and therefore any addition to that caused by increased cost of living could be taken care of by the dependents' board of trustees. It would revolutionize the whole system of pay for soldiers and dependents if this were adopted. It would mean the scrapping of the dependents' board of trustees altogether and the dependents' allowances regulations. If that is the proper thing to do, nothing is impossible. I have made a note of the point in connection with the other matters to which reference has been made.

The hon. member for Vancouver South mentioned allowances for all children instead of only four. That was very carefully thought of and studied at the time the amendments were made. The allowances are $12 for the first child, $12 for the second, $9 for the third and $6 for the fourth, and without being facetious I think a man in England would have to have quite a family before he would approach in the aggregate the amount here, namely $39.

Mr. GREEN: I think the minister will admit that is not a very fair comparison because the cost of living is quite different there.

Mr. RALSTON: I was in Great Britain lately and I must say the cost of living that I experienced there is not much different.

Mr. GREEN: But these people cannot live at the best hotels.

Mr. RALSTON: My hon. friend's suggestion in a word is, allowances for all children. I agree with my hon. friend in this, that personally I am not in accord with the idea that a man should be discouraged from enlisting because he has a large family.

Mr. HANSON (York-Sunbury): They still take them in even if a man has a dozen children.

Mr. RALSTON: That is right. A man in my own constituency has ten boys. Seven are in the army; two are on the waiting list now for the navy and air force, and the last is being called up. That is not a bad contribution.

With regard to housing, that is a problem which has concerned me more than anything else. If we could settle that, it would be a tremendous relief all across this country among dependents of service men. The ground taken by my colleague the Minister of Munitions and Supply in regard to the Wartime Housing Act was that these men going to work in industry were moving in and becoming part of the establishment and these houses were being built as part of the plant. On the other hand, a soldier's wife presumably has a residence some place; she does not necessarily have to move, and therefore the provision she had should be sufficient. The complaints that come to me are not quite the same as those coming to the hon. member for Vancouver South, to the effect conditions are getting poorer and poorer because of the lack of dependents' allowances or ability to pay. I think the dependents' allowances permit them to pay rent if the houses are available, but what comes to me is that landlords are not enthusiastic about taking soldiers' wives; some are defintely reluctant.

Mr. ISNOR: It is the scarcity of houses.

Mr. RALSTON: The idea is they had a house when the husband enlisted.

An hon. MEMBER: It is sold over their heads.

Mr. RALSTON: The landlord has rented it to some one else. We have not been taking on the question of housing because I have not felt that it was our responsibility. It is a financial matter and a national matter which has to do with housing conditions in Canada generally, not with soldiers' wives alone.

What I have done—and my colleague the Minister of Munitions and Supply has been very cooperative about it—is to endeavour to get for the benefit of municipalities the use of ten or twenty or more houses in order that they may use them temporarily as at least a stopping place for soldiers' families who are moving. I must take this position—it is the position taken by my colleague the Minister of Finance—that this question of housing the citizens of Canada—not people moving transiently—is the problem of the municipalities rather than that of the federal government. I have appealed on a number of occasions to bodies in different towns who were anxious to do war work, and have received most heartening response; I said, "you can help by taking under your wing soldiers' families who are having difficulty, acting as big brother and getting them places to live"; and that has been done with the assistance of these houses temporarily loaned by Wartime Housing Limited. The problem is perplexing; we have not overlooked it. I know the situation in regard to the navy is very much the same; I have not heard so much about the air force. Whether anything can be done from the point of view of the service departments I am not able to say at the moment, but we have it under active study and attention.

Post-war credits are really the same principle as the deferred pay suggested by the hon. member for Peel, which I promised to look into. I notice the amount in the United Kingdom is sixpence a day, which is not very much translated into Canadian dollars, something like $25 or $30 a year. War savings certificates would probably be more appropriate than war bonds.

Mr. CASTLEDEN: Is there any arrangement whereby the dependent of a man who has enlisted in the forces of a friendly allied nation could receive dependents' allowance? I have had drawn to my attention the dependent of a man who enlisted in the Netherlands army, and his wife would like to know whether she is eligible to receive dependents' allowance.

Mr. RALSTON: No; she would not be eligible, but from what I know of our friends from Holland I am sure she would be looked after. She would not be eligible to receive the dependents' allowance from Canada.

Mr. CASTLEDEN: It is their responsibility?

Mr. RALSTON: Yes.

Mr. COLDWELL: Is there not some way in which the government could do something about these cases? Last year, of course, the friendly allied governments were not allowed to exercise compulsion on their nationals in this country. I understand that more recently an order in council has been passed giving them power to call up their nationals resident in Canada. If those nationals are called up, then would it not be proper, in giving these governments that power, also to stipulate that something should be done for their dependents? Otherwise those dependents are going to be the recipients of relief in this country. Some arrangements should be entered into by the governments concerned so that the dependents of men subject to call by the allied governments in exile would be protected to the extent of some living allowance. Would the minister look into that matter?

Mr. RALSTON: I shall be very glad to do so, though really it is a matter for the Department of External Affairs.

Mr. QUELCH: We in this corner would like to associate ourselves with the remarks of those who have been urging an increase in pay and allowances, and also with those who have been requesting free transportation for furloughs and embarkation leaves. I am not going to labour those matters at this time, because we have taken a consistent stand in connection with them.

There is something else I should like to mention, a matter which I do not think has been referred to this afternoon. Earlier in the day the minister stated that he believed the dependents' allowance should be kept inviolate.

Mr. RALSTON: No; I thought the $35 payable to the wife should not be reduced on account of the cost of living.

Mr. QUELCH: I am wondering how the minister would justify the passing of order in council P.C. 138, 1936, which gives the soldier settlement board the right to attach a certain portion of the wife's allowance, not exceeding $20 a month. I would point out that the wife of the soldier is in the position that she has to hire a man to do the work her husband was doing; and for that reason, if for no other, she will need the allowance to pay this man's wages. The argument is advanced by the soldier settlement board that the amount seized would not be greater than the rent the wife would have to pay for the house in other circumstances. I would point out that the soldier settlement board have no more right to take that stand than a mortgage company holding a mortgage on a farm would have. The soldier enlists; the wife is left on the farm. The mortgage company would be equally justified in asking permission to

attach the dependents' allowance for the purpose of charging that woman rent; or a storekeeper would have just as much right to say that he should be allowed to attach the dependents' allowance for the store bill. I cannot see why the soldier settlement board should be given this special privilege. They argue, of course, that it helps pay off the debt of the soldier settler, but exactly the same argument could be advanced by any private creditor, by a mortgage company or by a storekeeper. I was wondering what justification the minister could suggest for the passing of that order in council.

It is hardly necessary for me to point out to the minister that this action destroys the principle of section 118 of the allowance regulations, which states that the dependents' allowance cannot be attached. It also destroys the principle of section 98, which states that the allowance is for the purpose of promoting the well-being and efficiency of the military forces of Canada by providing that means to alleviate the financial anxiety of members with respect to the domestic welfare of dependents, while they are in the service of his majesty. I would point out that if there is one class of society in this country that is in financial difficulties, it is the soldier settlers. Certainly it is not going to relieve the anxiety in the mind of a soldier to know that a certain portion of the allowance is being seized instead of going to his wife. Would the minister say a few words in that connection?

Mr. RALSTON: I was not in the house at the time, but I believe my hon. friend brought up that point the other night when my colleague the Minister of Mines and Resources was in his place, and I believe the minister made a somewhat extended reference by way of explanation of the provision.

Mr. QUELCH: He just took an individual case and justified it. He said in that case the dependent had seven children and was receiving a large allowance.

Mr. RALSTON: I have sent for a copy of *Hansard* containing that discussion. I intended to discuss the matter with my colleague the Minister of Mines and Resources. My hon. friend has been very fair about it; I think he has given the reasons which the soldier settlement board give for taking this action. The principal reason that struck me was the fact that they were not charging any more than the rent that would have to be paid if the farm were leased, and under those circumstances it did seem that there was no hardship and nothing improper in asking that this amount be paid. I have not had a chance to discuss the matter with my colleague, but I intend to deal with it more thoroughly and will talk to him about it. I am not in a position, in view of the explanation which my hon. friend makes, to say that any change will be made, but certainly I shall look into the matter.

Mr. HANSON (York-Sunbury): I suppose the technical question of a crown debt has some influence on the treasury.

Mr. RALSTON: Yes. Just on that point the section which my hon. friend quoted, which indicated that the allowance was not garnishable or attachable, does not apply in a case of this kind.

Mr. MAYHEW: I should like to bring to the attention of the minister the question of the hospitalization of dependents of soldiers. Quite a number of soldiers are getting into financial difficulties through having to pay hospital bills for their dependents. Not only are they creating hardship for themselves; they are creating hardship for many of the hospitals in the smaller communities. This matter has been brought to my attention in regard to the Nanaimo camp. The hospital at Nanaimo is now some $6,000 in arrears on account of soldiers' dependents being hospitalized there, and I am wondering whether there is not some way of taking care of this load for the men in uniform.

Mr. RALSTON: That is in connection with the dependents?

Mr. MAYHEW: Yes.

Mr. HANSON (York-Sunbury): That is a new thought.

Mr. RALSTON: Yes. I do not think I am prepared to say anything more, but I will have the matter examined. I think it must be a special case, of a large camp near a small town with limited hospital facilities, but I am just a little concerned about hospital bills—which I am sure must be reasonable—not being paid. Or is there a particular epidemic among the dependents of soldiers out there, which means that a large number of them are becoming ill?

Mr. HANSON (York-Sunbury): If the hon. member will allow me, in my province the matter is taken care of by law. If the dependent of a soldier is in need of hospitalization and that person goes to hospital and is unable to pay, the municipality pays as a matter of law and a matter of course. That is the way I think it ought to be. It is not a charity; it is a community duty which is performed by the municipality under a well considered and well regulated practice.

Mr. MAYHEW: In British Columbia the municipalities pay so much and the provincial government pays so much, but there is something left which the patient is supposed to pay. That accounts for the amount left unpaid in this case. We talk about equal sacrifices. I think at least we have arrived at the point where we know we cannot make equal sacrifices, but I think we can do a great deal more to share the burdens of the soldiers. We are not doing it as far as hospitalization is concerned. Whether it should come from this government or from the municipalities or from any other source, it should not be a matter of passing the buck and leaving the soldiers stranded with a load of debt on account of their wives or children.

Mr. RALSTON: I wonder whether that would not be taken care of by the trustees of the dependents' allowance board?

Mr. MAYHEW: If they can go far enough.

Mr. RALSTON: If my hon. friend has a case in mind I shall bring it to the attention of the chairman of the board of trustees.

Mr. MAYHEW: Yes; I have a list of sixty or seventy cases from the Nanaimo hospital alone.

Mr. GOLDING: The observations of the leader of the opposition are quite correct. I happen to be chairman of a hospital in Ontario, and I know that the governments of the province, the county and the municipality pay the full cost of indigent patients. No cost is charged to the patient if he is indigent.

Mr. COLDWELL: But are soldiers indigents?

Mr. MAYHEW: Does the hon. member call a soldier an indigent person?

Mr. GOLDING: I was just talking about the cost they could not take care of themselves.

Mr. COLDWELL: As the hon. member for Victoria, British Columbia, has pointed out, the distinction is that the wives and dependents of soldiers cannot be considered as indigent charity cases. They deserve something better than the poor law. That is practically what is done in New Brunswick, Ontario and, I may say, my own province of Saskatchewan. But the thing is wrong. Surely these peolpe are entitled to better treatment than the ordinary charity case in a municipal or other hospital.

Mr. REID: The law in British Columbia is that the municipalities are called upon to pay seventy-five cents or a dollar a day, and the government pays a like amount. But that does not deter the hospital from sending a hospital bill to the patient.

Mr. HANSON (York-Sunbury): This is not a question of the application of the principle of the poor law. It is a question of policy on the part of the civil authorities in a province or municipality. They must decide how people who cannot pay, whether they be dependents of soldiers or others, are to be cared for. If they can pay they are asked to pay, and if they cannot pay they are not asked to pay. No one who is not able to pay gets a bill. I am not prepared to say whether it is the responsibility of the government, but I know in my own province it is taken care of by the community. It is a community service and community obligation, and is in no sense a reflection on any of the recipients. If the suggestion is made in a derogatory sense, it is entirely out of place. It is community service rendered by reason of enlightened public opinion crystallized into law.

Mr. MAYHEW: Many of the men in these camps come from provinces which have not laws similar to those in British Columbia or New Brunswick. Therefore there is no compensation for part of their keep. It must all come from the portion paid by the provincial government.

Mr. HANSON (York-Sunbury): There is a residence qualification.

Mr. MAYHEW: Yes, there is a residence qualification.

Mr. BENCE: I presume the Minister of National Defence has under his jurisdiction dependents' allowances for all the services—the air force, the navy and the army.

Mr. RALSTON: The navy has a special set of regulations mentioned in the orders.

Mr. BENCE: Does the dependents' allowance board deal with them?

Mr. RALSTON: Yes.

Mr. BENCE: The dependents' allowance board comes under the jurisdiction of the Minister of National Defence.

Mr. RALSTON: Yes, but I try to keep my hands off the dependents' allowance board entirely. The only time I ever interfered with it in the slightest was with respect to a discussion of policy raised by the hon. member for Rosetown-Biggar. That matter was discussed in a letter to which I referred. I do not know that I can help the hon. member much with respect to the navy or the air force.

Mr. BENCE: With whom, then, should we take up these matters?

Mr. RALSTON: They should be taken up with the Minister of National Defence for Naval Services, if they are naval matters.

Mr. BENCE: He is in a position to say that this comes under the dependents' allowance board, and the dependents' allowance board comes under—

Mr. RALSTON: I made the recommendations with regard to the appointment of the dependents' allowance board, originally. But dependents' allowances for the navy are under naval regulations. Naval pay and allowance regulations are quite separate from army pay and allowance and air force pay and allowance regulations. Each service has a liaison with the dependents' allowance board; each service has a member on the board, so that my hon. friend would probably get better service and better information, if he has in mind a matter concerned with the naval service, if he would take it up with the Minister of National Defence for Naval Services, who would have communication with the naval member on the board. The same would be true with respect to the Minister of National Defence for Air. However, I should be pleased to make a note of any case to which my hon. friend might refer.

Mr. BENCE: I was going to ask someone to make a statement with regard to the great disparity between dependents' allowances for members of the navy, and those of the army and the air force.

Mr. RALSTON: I will get all the information I can. But as I said a little while ago, the whole matter of pay and allowances was discussed by a joint committee. There is an interservice committee on pay and allowances which is considering these matters constantly. I believe the feeling was that they had pretty well arrived at a parity with regard to allowances, in view of existing conditions. However, if there is any point my hon. friend wishes to bring up, or any particular ranks he would like to compare, I will see that they are compared, and that reasons are given why one rate of pay is paid in one case and another rate in another.

As indicated by the leader of the opposition, the general principle was that taking it in the aggregate—that is to say, pay plus allowances —you arrived generally at a parity. There are some cases, more particularly in the navy, where they prefer their system to the systems used by the army and the air force.

Mr. BENCE: I have some figures with respect to differences between the army and the navy. It appears, so far as commissioned ranks are concerned, that exactly the same amount is paid to the wife of a naval sub-lieutenant as is paid to the wife of a naval commander, namely, $30. The army position equivalent to the naval sub-lieutenant is that of the army lieutenant, and his wife is paid $45. The wife of the army lieutenant-colonel, who is the equivalent of a naval commander, receives $60.

Mr. RALSTON: What about the pay?

Mr. BENCE: The pay of a naval lieutenant is $4 a day, whereas that of an army lieutenant is $5 a day. Consequently the total amount received by a naval sub-lieutenant, including pay and allowances, is $150 a month, as compared with an army lieutenant at $195 a month.

There is not such a great distinction in the higher ranks. However, the army lieutenant-colonel obtains a total of $360 a month pay and allowances, whereas the naval commander obtains $330 a month.

Mr. RALSTON: Both married and with children?

Mr. BENCE: I am speaking of married men without children.

The minister made some statement with respect to men who are missing. He said it was the policy in the army that pay and allowances would be continued until some evidence had been found that a soldier was dead, or could be presumed dead. The presumption of death is arrived at after a period of six months.

Mr. RALSTON: Is the hon. member asking me that?

Mr. BENCE: I am making that statement; that is the way I understand it.

Mr. RALSTON: I did not think I mentioned six months.

Mr. BENCE: No; I am saying that. I understand there is a presumption of death after six months following the notice indicating that a soldier is missing. Who determines that policy? Is it the Department of National Defence in connection with a soldier, the Department of National Defence for Naval Services in connection with a seaman and the Department of National Defence for Air in connection with the air force?

Mr. RALSTON: The offices corresponding to the adjutant-general's branch in the army determine it for the navy and air force respectively.

Mr. BENCE: Is there any way in which there could be worked out a coordinated policy in that connection between the various services?

Mr. RALSTON: If there is a time when the fur gets up on the back of my neck it is when someone mentions coordination. We are

working out coordination constantly; we have interservice committees. For instance, we have a pay and allowances committee. Some things are different in the three services. Each service likes to do things its own way, but I do not think it makes any great difference which way it is done when it comes to the rate of pay. If the army are satisfied with their rates and practice as they are and always have been, and if the navy has a different practice in that connection and is satisfied with it, it does not seem to me that there is any particular public advantage in pounding their heads together and saying, "you must accept this other system." There are some traditions in connection with these services. I think the answer to my hon. friend's question is that there is coordination by means of the defence council and the interservice committee on pay and allowances. There is an interservice committee which has to do with personnel conditions. We try as best we can to have coordination, which is not necessarily absolute uniformity. I think we should distinguish between the two.

Mr. BENCE: As a matter of fact what I had down was "uniform policy"; I did not intend to use the word "coordination." I am pleased to have the minister make the statement he did, that pay and allowances are to be continued in the army in the manner in which they are. I am particularly concerned with the air force, because it is in connection with that force that we have so many men missing. If a man is listed as missing in the middle of the month, his pay is paid for the balance of that month, but after that it drops down to the $60 a month his wife would get in case of his death. I do not see why a distinction should be made between the services in respect of a thing like that. At the same time, his child is continued at the lower rate, namely $12 a month, and is not raised to the $15 a month which would be paid if he were officially declared dead. It seems to me that the same policy should be adopted with respect to the air force as is followed in the other services. A wife who receives information that her husband is missing should not have the additional blow of having her income reduced automatically.

Mr. RALSTON: If I could I would be very glad to give my hon. friend an explanation, but it would be the merest guess and would not be informative. I would prefer that he take the matter up with my colleague, the Minister of National Defence for Air. It may be that they are following the practice of the Royal Air Force with which they are closely associated.

[Mr. Ralston.]

Mr. BLACKMORE: The matter of the decision in regard to the payment of hospitalization of dependents was not cleared up to my satisfaction, although I may have failed to grasp what was said. As it was left in my mind, the only disposition made was that suggested by the leader of the opposition, that the municipality should pay. What information has the minister regarding that matter?

Mr. RALSTON: The way I dealt with it was to indicate that the dependents' board of trustees, which was established in November or December, has as one of its functions and one of its authorities, to pay such supplementary grants or to give such special assistance in those cases where it is satisfied that such supplementary grants or special assistance are necessary to prevent hardships arising because of unusual circumstances or to relieve misfortune and meet domestic emergencies, including serious illness of a member of the family. If the hospitalization which was referred to could not be handled by the soldier himself, I think it would come within that provision. I am not at this moment saying that the country should simply undertake the hospitalization of all the soldier's family. We must have regard for certain general principles. I am saying, however, that if the soldier is unable to take care of it, there is a provision which it seems to me could be made applicable and which seems, in terms at least, to be amply sufficient for the purpose.

Mr. BLACKMORE: I would say that the idea behind the minister's proposal is more sound than the idea behind the suggestion of the leader of the opposition. I would say that this burden should be borne by all Canadians, not by the people of a particular community in which there happens to be concentrated a large number of soldiers. I would feel a little better if the wording of the powers given to that board was a little more specific, that is, that there was more of a duty placed upon them to see to it that all necessitous cases were taken care of. As I understood the minister's reading of it, they just have permission to do it.

Mr. RALSTON: My hon. friend understands that all these things are covered by enabling phraseology; that is, the authorization is given to spend money and to make grants.

Mr. COLDWELL: I notice the Minister of National Defence for Naval Services (Mr. Macdonald) is here, and I hope that when he comes before the house with his estimates we shall be able to have a full explanation of

the discrepancy which now exists between the pay and allowances of naval ratings and members of the other services. We have had quite a discussion here this afternoon. I have met a large number of naval men in the last six or eight months and have found that many of them have a real feeling that they are being discriminated against. I have had no explanation which convinces me that it is right and proper that dependents of naval men and the naval men themselves should receive allowances and pay which are less than those given to members of the other armed forces.

Mr. MACDONALD (Kingston City): As the Minister of National Defence (Mr. Ralston) has indicated, there is some discrepancy. In some cases naval personnel receive more; in other cases they receive less. The chief stumbling block at the moment is the amount allowed to a man who lives out of quarters. The navy man who has to board and feed himself gets $1.45 a day, whereas one of my colleague's men gets only $1 a day. There you have a difference of from $14 to $15 a month to the advantage of the naval rating. It is true that for the last six months the wife and children of a naval rating have been getting somewhat less than the wife and children of a private soldier, but on the other hand the naval rating receives this greater amount for lodging and compensation.

Mr. HANSON (York-Sunbury): On balance is there equality?

Mr. MACDONALD (Kingston City): That is a big question. Some officers receive a little better pay than the corresponding officers in the army, while other officers are not quite so well off. It is difficult to work this thing out to the last cent and decimal point. The whole matter of naval pay and allowances has been before the treasury board. I appeared before the board last week; I intend to appear before it on Thursday morning, and I hope that this whole matter may be adjusted then. However, the minute I ask that the dependents' allowance be raised, it will be pointed out that the sailor receives this $14 or $15 a month more than the soldier.

Mr. COLDWELL: That is only at certain times.

Mr. MACDONALD (Kingston City): When he lives out of barracks.

Mr. COLDWELL: A man living in a port such as Halifax will find it an exceedingly expensive place in which to live.

Mr. MACDONALD (Kingston City): My hon. friend is quite right; living in Halifax is expensive.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. HANSON (York-Sunbury): In the artillery training camps have we any modern guns for practice purposes? For instance, it is represented to me that at Petawawa there is not a modern gun, and that they are using for training purposes old 18-pounders of the last war.

Mr. RALSTON: I know there are 25-pounders at Petawawa. I have seen them, and I am informed by the vice-chief of the general staff that they are there. I cannot give my hon. friend the number, but I saw them in the gun shed there.

Mr. MARSHALL: I do not know whether the Minister of National Defence has made any comment with respect to a question which I should like to ask him at this time. I understand that prior to the Easter recess he was giving sympathetic consideration to the proposal that the government should advance loans to medical students who are attending the various Canadian universities, to enable them to continue their studies, provided, of course, that they undertake to join the Canadian army medical corps. During the recess I discussed the matter with some of these students, and they were in a quandary as to what the department intended to do. I wish the minister would make a statement on this matter, because some of the universities are closing, and others will close in a very short time.

Mr. RALSTON: I made a statement on this subject in the house about four weeks ago or perhaps a little more. The provisions with regard to the assistance were, first, that men who undertook to give their services in the national effort would be assisted, where the need existed, by the Department of Labour, who would give them scholarships. For the last two years those who enlisted would be given leave with pay and permitted to continue their studies. We had meetings with representatives of the universities. They have concurred in the plan, and the orders have actually gone out to the universities. As a matter of fact, I have myself signed a letter to either the deans of the medical faculties or to the presidents of the universities themselves, outlining the plan. In addition,

the regulations were completed recently; I am told that they would have reached the universities about three days ago. Those regulations give full details as to what these young men should do. I think the matter is now wholly in order, and that the universities understand the procedure thoroughly.

Mr. MARSHALL: Have any of the universities refused to accept the proposals?

Mr. RALSTON: No—none of the medical schools. There are medical schools in only a certain number of the universities.

Mr. HANSON (York-Sunbury): I should like to ask the minister a question with respect to the rehabilitation of men. I will put this case. A young man of very good education, bilingual, of French origin, teaching in an academic course in the maritime provinces, enlisted in the air force, was taken to the manning depot, and from there transferred to the air school, where he taught certain subjects connected with aeronautics. While there, it was discovered that he had a hernia; and he was to be transferred to the army for a course, on the theory that he would get hospitalization and have an operation—which I believe is very simple—and would then go into the infantry. I am now informed that no provision is made for hospitalization of this sort, and he is not able to afford the operation himself. I think I have read that some provision is made for the physical rehabilitation of men under such conditions. This man is of a very fine type, and I believe that if he could be rehabilitated physically he would be a valuable officer because of his bilingual qualifications; I understand that such men are all too scarce. What is the position with reference to a case like that?

Mr. RALSTON: The case my hon. friend cites is exactly the sort which the regulations and the policy announced a short time ago were intended to cover. There could only be one possible "out" in connection with it, and that would be if the officer or man referred to was too old; that is to say, that the doctors would not consider that a hernia operation would be sufficient to mend him to pass army requirements. My hon. friend is right in assuming that there is provision for such a case as that. The provision is that he is handed over to the Department of Pensions and National Health. I do not mean that we are shelving the responsibility, but that is the department which actually does the operation.

[Mr. Ralston.]

Mr. HANSON (York-Sunbury): I shall be glad to send the minister particulars of the case if he has not already received them.

Mr. RALSTON: I would appreciate it.

Mr. GILLIS: A few nights ago the minister intimated that it was the intention of his department to set up on the west coast a school for the purpose of training inspectors in the development of commando troops. Is there any particular reason why that school should be set up on the west coast? If it is the intention to train troops for that purpose, and to establish a school, would it not be more economical, more in the general interests of the country, and serve a greater purpose if it were located more centrally? I presume some would be taken from the east coast for that purpose. Taking them from one end of the country to the other seems a rather silly operation, and I think the school might be established somewhere in the centre of Canada because it would then serve the whole dominion to greater advantage.

Mr. RALSTON: Consideration along that line has been going on for some time. The primary reason for considering the west coast—it was not necessarily the west coast, although I said the west—was the fact that conditions there prevail all the year round and are better for training than they are in the east. Moreover, at the present time we have a great many military establishments in the east.

Mr. CASTLEDEN: Before the dinner recess we were dealing with the matter of the health of dependents. Discussing this question a short time ago, a number of us came to the conclusion that it might be a good idea for the department to lay out some sort of plan whereby a form of state medicine or state health insurance might be provided for all dependents of soldiers. That might be extended to take in a number of old age pensioners, of whom we have so many in various parts of our province. A constructive suggestion that occurred to us was this. This is one branch of the minister's work that might be handed over to the Minister of Pensions and National Health. It would act as a proving ground for the question of state medicine on a small scale and we might learn some interesting and instructive facts from the experiment.

Then, would the minister give an outline of the steps that are taken to ensure that members of the armed forces shall receive supplies and equipment which are up to standard. What steps are taken by the Department of National Defence to inspect technical equipment? Are munitions, tanks,

small arms, anti-aircraft guns and so on tested in Canada before shipments are made to our forces in other parts of the world?

A third matter which I would discuss for just a moment is that of seeing that men are placed in occupations in which they can do the most effective work in the forces. We saw a number of enlistment advertisements in which men were asked to join the armed forces. They were calling for tradesmen, and on one visit to the camp last year I ran across a man who had entered as a butcher and was then in the hospital, while a blacksmith was serving as a cook and a medical orderly was working as provost. In the early days of organization, of course, there must be some confusion; but would the minister give us a statement as to what is being done to ensure that men are being used in the armed forces in those occupations in which they were previously trained?

Mr. RALSTON: With regard to the first question respecting health insurance for dependents, I have learned enough in my short career not to step into the field of other departments if that can be avoided. It is part of my responsibility in an indirect way, in connection with the welfare of the soldiers, to assist with regard to their dependents. But health insurance is a matter for two other departments, namely, the Department of Pensions and National Health, as my hon. friend has suggested, and the Department of Finance, under which the superintendent of insurance operates. I will bring the matter to the attention of these two departments. I will not say any more at this stage with regard to it.

So far as the matter of inspection is concerned, I could speak at length in reference to what I know of the organization; but let me say briefly that after-inspection is carried out by the joint inspection board of the United Kingdom and Canada under the direction of Major-General Locke, who came here early in the war, and is himself not only a most competent and capable organizer, but has a thorough technical knowledge of arms and equipment and the munitions which are being turned out. The board has employees running into thousands, both in Canada and in the United States, and every type of equipment and munitions is inspected by the board before it is accepted by the Department of National Defence or, for that matter, by the British government. I can assure the committee that nothing is left undone in the way of inspection and testing. I know of a number of proving grounds which they have, and tests are carried out. As a matter of fact, for our own satisfaction, these tests are supplemented or are preceded by tests with pilot models made by the master-general of the ordnance, who is the provision officer of the Department of National Defence. The board has expanded rapidly and is most capable and efficient, the organization consisting of personnel who know their job thoroughly.

With regard to the question of personnel, since the committee was last discussing the resolution I have had an opportunity of a long discussion with the director of personnel selection at headquarters, Brigadier Chisholm, who has charge of the personnel selection branch, and I incidentally had an opportunity of visiting one of the training centres where his men are carrying on. At the present time in each training centre in Canada there is a personnel selection officer. He is one who has been trained in that sort of work, to give sample tests and also, by means of personal interviews with each man who is training in the training centre, to endeavour to establish the aptitude and capabilities of the men. Recommendations are made to the officer commanding the training centre with regard to the qualifications of a particular man. If they find a butcher, I think his presence will be advised to the quartermaster-general who has to do with the stores. If they find a blacksmith, his presence also will be advised to the quartermaster-general, and probably it will be notified as well to the commandant of the trade school at Hamilton where training in blacksmithing among fifty other trades is carried on. My hon. friend is quite right that many mistakes were made particularly when we were organizing the forces last year and the tremendous drive was on. We were building training centres and getting men there, getting staffs organized, and men were taken and trained in the particular subjects taught at that training centre. I have no doubt therefore that in many instances men were trained in one line even though their aptitude could have been put to better advantage somewhere else. I do not say that this has changed completely, but the system which has been in force is, if I may use the word, scientific; and I think it is a competent approach to this matter, which is extremely important and is becoming more so every day in connection with the armed services. The selection of mechanics particularly is vital to the armoured forces we have and to the mechanical trades which are needed in the infantry to-day. I have reason to believe that the personnel selection branch which has been organized for only a few months is doing most efficient work.

Mr. CASTLEDEN: About how many men, skilled mechanics, have been taken out of the armed forces to go into munitions work?

Mr. RALSTON: I assure my hon. friend that if I can avoid it, none are taken out of the armed forces to go into munitions work, because there is room in the armed forces for every mechanic. As I said, there are nearly fifty trades, thirty-five at least in the armoured division; mechanical men who are physically fit enlisting in the armed services can all be used to good advantage.

Mr. HANSON (York-Sunbury): They told us at Aldershot that they did not have enough skilled men.

Mr. RALSTON: Aldershot, Nova Scotia?

Mr. HANSON (York-Sunbury): No, England.

Mr. MacNICOL: Is the mechanical training school in Exhibition park at London, Ontario, under the minister's department?

Mr. RALSTON: It is under my department. It is with the ordnance depot. I confess I have not been there. Our establishment is in new buildings there. Can my hon. friend tell me who is in charge? Is there an officer in charge?

Mr. MacNICOL: I cannot say. There is one large building where there is an officer in charge; that is in the northeast corner of the city. But in the exhibition buildings there is a large mechanical school operated by the government. In my judgment that school is doing very fine work.

Mr. RALSTON: That was our first mechanization depot. We had a very large establishment there, put there primarily for the purpose of assembling and storing vehicles and having them ready to ship overseas as well as in Canada. Along with that the practical work provided gave opportunity to establish a school which has been operated for some time under the general staff and the master-general of ordnance. But whether the school to which my hon. friend refers is an army school I cannot tell. I have in mind that there is a commercial school as well.

Mr. MacNICOL: There are two large depots, one of which does just what the minister says, assembles trucks and mechanical equipment from all round the country and repairs it and sends it forward. The day I was in the Exhibition park school there were perhaps one thousand young men learning all about cars, tanks and everything, and I was greatly struck with it. It is the only school I know of in the country where classes are taught by study of the actual machines and parts all cut open so that the classes can see just how they are put together. They told me they would be there for perhaps three or four months. I talked to many of the young men; they were all enthusiastic about how they were able to get along and learn. Apparently from there they are sent to different parts of the country. Why are there not more such schools, say one in the maritimes, and one in the western provinces? I believe the school is operated by a firm in the United States.

Mr. RALSTON: Anderson's.

Mr. MacNICOL: I could see from my knowledge of mechanical equipment that they were doing a splendid job, and I would suggest that we should have such schools not only in London but one perhaps in Toronto, one in the maritimes and one in the west.

Mr. RALSTON: My hon. friend has tied it down so that I know the school to which he refers is the school operated under the direction of the Department of National Defence. We got the Anderson company to come from the United States. They are also doing some instructing at Barriefield. It is called a mechanics' training school. That is an army school. In addition, we have a driving and maintenance school at Woodstock and the ordnance school at Barriefield, also a signal school at Barriefield and the Hamilton trade school at Hamilton.

Mr. MacNICOL: But is any other school set up like the one in Exhibition park, London?

Mr. RALSTON: My hon. friend knows the Hamilton trade school?

Mr. MacNICOL: Yes.

Mr. RALSTON: I have visited the Hamilton trade school and I had an idea that the Anderson school at London was along the same lines.

Mr. MacNICOL: I thought the London school was much more advanced.

Mr. RALSTON: About a year ago we found the necessity for mechanics increasing all the time and felt that the quickest way to get them was to get people who had made a success of such schools in commercial work. The Anderson company had schools in California and elsewhere and they came and set up these schools. We have found it highly desirable to concentrate as much as possible, equipment being difficult to get. The air force found the same situation when

they started their first initial training school. Therefore we have concentrated as much as possible in order to save both equipment and instructors. I think the plan is turning out very well. Of course my hon. friend understands that what we call phase 1 of the training is basic training. Then phase 2 is done all over the dominion in what were formerly the provincial technical schools, who do the elementary work in connection with mechanics. These are helped by the provinces. We have had fine cooperation from the provinces in that respect. Schools all over the dominion have been turned into trade schools for the benefit of the army. Then they go from there to either Hamilton or London or Barriefield or Woodstock or some of these schools to take phases 3 and 4. My hon. friend says they stay for four months. Men in some trades stay longer; in the trade of fitter, which is needed badly, the course takes longer than four months. Generally speaking, I think an excellent job is being done in training tradesmen. Many of these men, unlike the one to whom my friend referred a moment ago, are men who had not had training at all; they are simply taken off the street and found to have an aptitude and put immediately into phase 2 and then phases 3 and 4.

Mr. CASTLEDEN: Are these men given special rates of pay after graduation?

Mr. RALSTON: We have a tradesmen's establishment in connection with the various units. It may be a tank battalion or armoured battalion or any of these mechanized units, and the men in these establishments are given special trades pay.

Mr. DOUGLAS (Weyburn): A few minutes ago in answer to the hon. member for Yorkton the minister said the equipment was examined and tested by the Department of National Defence—

Mr. RALSTON: The joint inspection board, representing the war office in England and the Department of National Defence in Canada.

Mr. DOUGLAS (Weyburn): Could the minister give some information about the results at the proving grounds in Canada? I am reluctant to ask any question tending to elicit information which the minister does not want to give, but at one time I heard some disconcerting reports, for instance about tanks made in Canada. The situation may have been improved since, or things may not be as I heard. Could the minister give any idea of the percentage of these tanks that had to be sent back from the proving grounds? Or if he is not prepared to give that, could he say whether or not the percentage rejected has decreased to any extent? I should like some information with reference to other equipment as well, but particularly tanks.

Mr. RALSTON: I can say to the committee sincerely that I have not heard of any large or substantial number of tanks being rejected. Of course the very object of the proving ground is to find defects, and some of the tanks are tested to destruction intentionally; that is they are driven until they wear out or break. Both our tanks, since there are two models, have been sent to Aberdeen, Maryland, where there is an extensive proving ground, and we are now turning out tanks of both types in commercial quantities. I do not think many are being rejected now that they are in production. Of course my hon. friend understands that beginning with the transmission and on to the suspension, the engine, the turret and the track, all these are inspected separately before the tank is assembled, as well as the wireless equipment and the guns. Therefore, what you inspect in the complete tank is a combination or an assembly of things which already have been tried and tested. Perhaps my hon. friend could tell me privately anything he has heard about tanks being rejected in any quantity, because I think his information is incorrect, or he may have been hearing about the time when we were trying out models and ascertaining the best material or best type to use. I think we are now past the teething stage in connection with tanks, and the output has been gratifying having regard to all the difficulties we have had to meet.

Mr. DOUGLAS (Weyburn): I am very glad indeed to hear that.

Some time ago the hon. member for Rosetown-Biggar placed a question on the order paper and I believe it was passed as an order for return, which as yet has not come down. Could the minister give us any information with regard to insurance agents canvassing the soldiers for the purpose of selling life insurance policies and also what I believe are called savings bonds?

Mr. RALSTON: I think I saw the answer to that question, and I thought it had been brought down some time ago. I believe there were two questions asked, the first being whether or not insurance agents were allowed to go to the camps. I believe the answer was that this depended on the district officer commanding, in connection with the regulations of the camp. Of course these agents would not be allowed in during parade hours or anything like that, but after hours it would depend on the district officer commanding and the

particular regulations of the camp. To answer specifically, there were no general regulations prohibiting insurance agents going into camps. The second question was whether the government had examined the policies which were being sold, and that question I think was quite properly answered by saying it had been referred to the superintendent of insurance, because that is not a matter into which our department would examine.

Mr. DOUGLAS (Weyburn): It would seem that there might be some conference between the officials of the Department of National Defence and the superintendent of insurance, with a view to examining into that situation. The government should satisfy itself that the policies being sold to these men are pretty good financial propositions, and that these savings bonds and things of that sort are not merely rackets. It should know something about the amounts being paid. As a matter of fact, I was hoping for something along the line suggested by the hon. member for Peel this afternoon. If we are going to have any type of savings scheme at all—and I believe there should be some scheme—I had hoped that the government itself might institute it. If there is going to be any type of insurance policy for these men to pay on while they are on active service, the government itself should initiate it. Failing that, it seemed to me that the department would have some responsibility for a very close supervision of anything being sold to the men. After all most of these men have not had a great deal of experience in taking out insurance policies, or buying savings bonds, or anything of that sort, and I believe it is the responsibility of the government to see that any people allowed into the camps to sell commercial propositions like these adhere pretty strictly to some sort of regulation and submit to the government the proposition they are trying to sell. Otherwise I am afraid a great many of these boys, some of whom are handling money for the first time, may be victimized by salesmen.

Mr. RALSTON: Has my hon. friend any particular policy or any particular instance in mind?

Mr. DOUGLAS (Weyburn): No, no particular policy, but I have had letters from a large number of men and also from soldiers' wives, saying their husbands had taken out policies. The mere fact that they were so indefinite as to the benefits and provisions of the policies led me to believe these men had taken out policies without knowing very much about such things as maturity, cash surrender values and so forth. It seems to me they have been simply persuaded to take out policies, for which they were paying so much money, with very little knowledge of the benefits they might receive.

Mr. RALSTON: The most important thing, of course, would be what would happen under such a policy in case the policyholder should become a war casualty. I would agree with my hon. friend that one should look out for matters of that kind in connection with these policies. Knowing the superintendent of insurance, I cannot imagine anybody selling a policy in the nature of a gold brick for very long in this country without being caught. I shall be glad, however, to have the officials confer with the insurance department, and also with one or two camp commandants, to see if policies are being sold and what is the nature of them.

Mr. MacNICOL: I should like to add a further word in connection with the school in the Western exhibition grounds at London, Ontario. Since the school is filled with a great many machines which are fixed in place, is it the intention of the department to take over the exhibition grounds in London for the duration, as they have taken over the Canadian National Exhibition buildings in Toronto?

Mr. RALSTON: I am afraid I cannot make any statement in that regard at the moment. We have the buildings at present, but to be quite frank with my hon. friend I have not in mind at the moment the terms under which we now hold those buildings. I imagine they are leased for the duration, though I am not certain. I shall, however, ascertain the position, and if I can make any statement to my hon. friend with regard to future policy I shall be glad to do so.

Mr. MacNICOL: Personally I was sorry to read that the exhibition grounds in Toronto are not going to be used for exhibition purposes this fall. Perhaps they have been taken over at the request of the city; I do not know. Perhaps they have been taken over because the government needs the space which can be provided by the buildings, and I am sure, if that is the case, both the city and the exhibition authorities would be content to let the government have the buildings. But since reading that article I have been thinking: what about the great number of men and women who have been working in those exhibition grounds every year for perhaps the last twenty or thirty years? I have had a number of letters from people who have been in the habit of working there, wondering whether the government, in its agreement with the exhibition authorities

to take over the buildings, is going to compensate those people who, after having worked there for perhaps fifteen or twenty years, now will lose their employment. Many of them have looked forward year after year to the extra money they make during the exhibition. That money is used for the payment of room rent, for the purchase of coal, and so forth. Has the department formulated any policy whatever to take care of people who are going to be unemployed as a result of the government taking over the grounds of the Canadian National Exhibition? The same remarks would, of course, apply if the government should take over the buildings of the Western exhibition at London.

Mr. RALSTON: There is in the arrangement no provision to take care of those who may be unemployed by reason of the government taking over the exhibition grounds. I do not think there are going to be very many unemployed in the city of Toronto, though, of course, it may be that these are people who cannot work at other jobs. I am afraid, however, that in the exigencies of the war we shall have to ask them to make that contribution.

The taking over of the exhibition grounds was very carefully and seriously canvassed by defence council, by the chiefs of staff and by the deputy ministers of the departments concerned. I can say that it was not done at the request of the city or at the request of the province or at the request of the commission, though from all these sources we received the utmost cooperation that could be expected. A decision had to be arrived at after examining the alternative possibilities of moving out, as we have been doing in other years, or of building permanently a very large establishment somewhere else for all three services. As I said the other night, the navy have an establishment there, which is very well suited to their purposes, on the shore of the lake. They occupy that and expect to expand. The air force have a large establishment there as well, and moving would have meant interference with their activities. The army had not the same training situation as the other two services, but the army needed a depot, and needed it very badly. Having examined the cost of using the exhibition grounds for the duration of the war and paying a yearly amount therefor, implementing the arrangement which had been made between the city and the province, we felt that it was advantageous for the three services to stay there and that it was also in the national interest. An amicable arrangement was arrived at in very short order, having regard to the size of the proposal and the details which had to be worked out between the city, the exhibition authorities and the province, and an order in council has been passed fully implementing the terms of the arrangement.

Mr. MacNICOL: That was for Toronto. Has anything been settled for London?

Mr. RALSTON: Not so far.

Mr. ROSS (St. Paul's): On the 26th of March I asked a question which was passed as an order for a return in connection with the daily rates of pay and allowances for the army, navy and air force, also with regard to separation allowance and so forth. Another question was asked by the hon. member for Broadview on the same day. It would be interesting to have that information. How soon may we expect it?

Mr. RALSTON: It ought to be down now.

Mr. ROSS (St. Paul's): I understand that the minister did table one return to-day. It would not take very long to complete the whole returns asked for.

Mr. RALSTON: I do not want to say that others are in default and that we have all our returns in, but I am satisfied that the return from the army has gone in to the Secretary of State.

Mr. HANSON (York-Sunbury): What is the policy of the department with respect to the erection at permanent camps like Petawawa, we will say, of large and expensive permanent buildings? I shall be frank with the minister. Information has reached me that an officers' mess has recently been built at Petawawa at a cost of $150,000. Having regard to the facilities at the training camps, that would appear to me to be a rather elaborate structure. I do not know whether there is any truth in what I have heard, but it came to me from a retired army officer, and he thinks it is a scandalous waste of public money.

May I ask where Vimy barracks are? Are they at Barriefield or at Kingston?

Mr. RALSTON: Barriefield.

Mr. HANSON (York-Sunbury): That is another permanent camp. Have not some very elaborate buildings been erected there for officers' services—I will put it that way, not to use some other term? These are things which the public is questioning—expenses on these elaborate, I shall not say social structures, but structures that are there for the use of the officers, and erected at a substantial cost. I am told that the one at Petawawa cost $150,000. I do not know anything about it myself, but I am told that an elaborate mess has been built at Vimy barracks. The public

of this country are quite willing to contribute money for the war, but I tell the minister frankly that they are not willing to see it put into an elaborate, shall I say, social establishment—you can take any interpretation you like out of that. I am asking for information; I am making no charges. I should like to know the history of these expenditures.

Mr. RALSTON: I thank my hon. friend for bringing the matter to my attention. I cannot at the moment give him an answer about Petawawa, but I shall have the information before the committee rises to-night. We are making extensions at Petawawa all the time, but I would be surprised if just an officers' mess cost any such sum as that.

Mr. HANSON (York-Sunbury): I would, too.

Mr. RALSTON: I am satisfied there will be some permanent buildings there because Petawawa will be a camp after the war.

With regard to Vimy barracks, if my hon. friend is referring to the officers' mess, it is the finest officers' mess I ever saw, but it was built pre-war. It was built as a relief project in the years between 1930 and 1935, if I am not mistaken. It is a very fine structure. Vimy barracks is also a permanent camp.

Mr. HANSON (York-Sunbury): Then there is one at Calgary.

Mr. RALSTON: That is Currie barracks.

Mr. HANSON (York-Sunbury): Those are barracks?

Mr. RALSTON: If my hon. friend goes to the officers' mess—it is the officers' mess, of course, and I do not want to interfere—he will find furniture and chairs which he will not find in many other places. That also was furnished some time pre-war, and I am advised that the furniture was purchased by the officers themselves.

Mr. HANSON (York-Sunbury): I would assume that that was so. I am not criticizing; I want to know the facts.

Mr. NOSEWORTHY: The minister a few moments ago in referring to skilled trades or specialized skills in the ranks used the phrase, "if they find a butcher or a blacksmith". Is any definite policy or procedure followed to find men who have specialized skills who are now in the ranks in units in which those specialized skills are not being used? A few days ago I met a radio expert and a hydro engineer who told me they had been trying for months to obtain a transfer to a unit in which their specialized skills could be used. Is there any reluctance on the part of officers in charge of units to prevent the transfer of men with specialized skills to other units?

Mr. RALSTON: I have mentioned the personnel selection branch. We put them to work at the very inauguration of the soldier's life at the basic training centres. To answer the hon. member's question specifically, the personnel selection men are on the move constantly on what we call a perpetual combing out of the units themselves, looking for men who have some special qualifications not needed in the particular unit. I would be obliged if my hon. friend would give me privately, if he does not mind, the names of these men and their units, and I will do the rest. I found only last Saturday at a basic training centre a meteorologist in the ranks, but I also found that the personnel selection officer had already catalogued him and was sending his name in. I also found in the ranks two men who had had special jobs in the Department of National Defence at headquarters here. They had also been catalogued and their names sent in to the corps of military staff clerks.

The procedure at the basic training centre is for the personnel selection officer to interview each man. The selection officer calls for the roll of the men in the unit, and he goes through the ranks and ascertains the qualifications of the men.

My hon. friend asked, "are the officers of the units reluctant to let men with special skills go?" Having had to do with a unit myself, I know an officer is always reluctant to let such men go. He always thinks a radio expert, for example, might possibly go into a signal section before very long. At the same time, however, we have found cooperation. We have not found them intentionally hiding men with special skills, but they put up an argument to retain them for their own service, hoping they can be used in their own unit, and that is not unnatural.

Mr. ROSS (St. Paul's): I should like to have some particulars about the building which it is proposed to erect in Plouffe park here in Ottawa. A return shows that this permanent ordnance building is to cost around $800,000 and that the floor space is to be about 135,000 square feet. How did the department come to the conclusion that a permanent ordnance building worth $800,000 should be put up at the present time?

Mr. RALSTON: The central ordnance depot is at Ottawa and it is necessary to have a permanent building.

Mr. ROSS (St. Paul's): It seems to me that $800,000 is quite an amount of money to pay for a permanent building. Why could not a temporary building be put up?

Mr. RALSTON: At the present time we are putting up buildings in Montreal which will cost between $2,000,000 and $3,000,000. These are necessary for the servicing of Canadian production which goes overseas. These buildings will not be permanent in the sense of being built of stone or anything of that kind, but they must take weights and stresses and permit the use of cranes to carry quite heavy loads necessary in the assembling of tanks, guns and all the other trappings of war.

Mr. FAIR: Has any attempt been made by the department to supply men in the service in Canada and overseas with tobacco at cost? I understand that quite a large profit is made in this business.

Mr. RALSTON: As my hon. friend is no doubt aware, that would be handled by the canteens and the auxiliary services.

Mr. FAIR: It has been suggested to me in different sections of the country that this be done. I think our soldiers are entitled to everything possible and they should not have to pay exorbitant profits.

Mr. RALSTON: I shall make a note of the matter.

Mr. REID: There are two small matters I should like to bring to the attention of the minister. The first has to do with the travelling allowance for men on active service. I am not going to raise at this time the question of free transportation for soldiers; what I have in mind is the reduction in fare allowed to a man going on furlough. This reduction is granted only to his home, and it may well be that his wife and family have moved to another town, or that he wants, while on furlough, to visit his mother or other relatives. Many men have told me that they feel they should be allowed the cheaper rate while on furlough, even though they are not going home or to the place where they enlisted.

The other matter has to do with certain men who are giving a service but who may be termed the forgotten men. When the war started it was the apparent intention of the military authorities to have it a drab war; that is, there were to be no bands and no flying of flags. The war has been drab enough, but I do not think the situation has been improved by the lack of martial music. Of late, a certain attempt has been made to supply military bands, but in certain towns the colonels of the regiments have formed bands, not entirely at their own expense but on their own volition. These bands are used when the men are on parade. In many instances the boys supply their own instruments and pay their own upkeep, and yet the bands are used on parade. It is unfortunate that we have not had more bands to lead out our men. Here in Ottawa you will see a small platoon walking through the streets without music or even a drum. We are all human, and I believe a certain amount of martial music should be provided for platoons or regiments.

As I say, these men are giving their time as bandsmen; they are not receiving one penny more than the ordinary soldier, and I contend that they should be classified properly and given a little encouragement. They are serving a useful purpose. I was invited to meet some of these boys and found that they are supplying their own instruments and putting in their practice, and yet the military authorities will not designate them either as tradesmen or bandsmen. It is high time that some encouragement was given to these boys who are rendering such a splendid service.

Mr. RALSTON: My hon. friend is right when he says that at the beginning of the war there were few bands authorized, but I think I am correct in saying that we have authorized a band for every active unit that has requested one. Not only have we authorized that the instruments be supplied, but we have authorized the personnel, to a limited number, of course.

I shall deal now with the question of trades pay. This matter has been up before. I am not quite as much impressed as my hon. friend is with the matter of trades pay for bandsmen. I know these men are rendering a splendid service. I happen to have had two bands in my own battalion, but they were men who were on the strength in the regular way and were giving their time. My hon. friend will be glad to know there was a pipe band as well as a brass band.

As I say, the matter of trades pay for bandsmen has been up, and up repeatedly. It is not settled yet as far as that goes. But I must say that I do not see the argument for trades pay for bandsmen as clearly as my hon. friend does. It seems to me that if men are taken on the establishment as bandsmen and love music as my hon. friend does, they will not insist upon trades pay in order to enjoy the privilege of playing. We have authorized a band for each advanced

training centre; that is the establishment and the instruments. This is done on the authorization of the minister, and I may say that I have approved every application which has been made. We authorize the instruments for the basic training centres, but we do not authorize the men. They must be men from the establishment, but we make a small allowance of $200 a year. I want to assure my hon. friend that the matter of bands is not being overlooked. I think the real objection he has to our present system is the fact that so far bandsmen have not been recognized as tradesmen, but this matter has been under consideration for some time.

Mr. REID: The minister should not forget that in many instances they are supplying their own instruments.

Mr. HANSON (York-Sunbury): What about bagpipes?

Mr. RALSTON: The same thing.

Mr. CHURCH: There are one or two matters about which I should like to ask the minister. The first has to do with the dependents' allowance, as amended last November. There is a great difference of opinion as to how this is working out. May 1 is housing day, and a great many soldier families in military district No. 2 have been ordered out of their homes. They receive very little protection from the federal law. This is not the fault of the minister; I am free to admit that all parties in the house are to blame for our lack of defences because of their support of pacifism for years before the war and the league. It was not to be expected that you could rearm or do this in a year or two years or three years when you threw away your defences like you did. A high cost of living bonus is needed very badly by the soldiers' wives and families. They have been urged to get in their coal for next winter, and there is a great scarcity of houses in the city from which I come.

I urge the government to reconsider the proposal to give a high cost of living bonus to the soldier and grant it to them. I fail to see why all civilians who stay at home should be the only people to get the bonus, while those who are defending us for $1.30 a day in England are denied it. All should receive it equitably. Both classes need it.

The minister has made a great many improvements; I am free to admit that he did well over a year ago in appointing Colonel MacNamara, who has done splendid work while there in remedying inequalities and getting the pay cheques direct to the dependents.

On September 9, 1939, the house was given a schedule of pay for the army, the navy and the air force. The house was not consulted; it was a hard and fast schedule attached to the Canadian Patriotic Fund Act, and passed in about half an hour. The minister has been kind enough to promise to provide us with a list of the pay of officers and all ranks from a colonel down. The inequalities are apparent to anybody who looks it over. The inequalities are unjust and unfair. We shall soon be in the position of Kentucky and Missouri, where everybody wants to be a colonel or a judge; down there every lawyer is called judge, because if he is not judge to-day he hopes to be a judge to-morrow. So with our army. I repeat that the inequalities in the schedule of the three forces are very apparent. I trust that the house will give more attention to this particular matter, and seek a new and fairer schedule.

The vote yesterday shows that Canadians are greatly alarmed at the state of this country's defences. Germany has now entered her third spring offensive. What are we in Canada doing to meet the enemy, whether he comes to the front door, the side door or the back door—and dear knows he is at all the doors now. I contend that we should heed the handwriting on the wall. It may be necessary to change our whole method of training and strategy in the twinkling of an eye, in view of our allies' disasters. I know the minister has seen the report of Lieutenant-General Gordon Bennett made to the British government as to what was wrong with the Pacific campaign on land, on sea, and in the air. I wish that every hon. member could be given a copy of that report and would carefully study it. Remember that the training, the strategy and the equipment which we are now following may be obsolete and as worthless as a scrap of paper in twenty-four hours. The whole war and its conduct is a ceaseless change every year. A great deal of our present discussion for that reason may not be relevant later. There is need for effective coordination between the services.

As I interpret the vote of the people yesterday, it is a demand for not less but more real war effort, so that our sacrifices, which have been many, may not have been in vain; so that we shall make better use of the splendid men in our armed forces, see that they are properly armed, and give them a real show in battle. I admit that a great deal has been done; in many departments the war effort has been effective. But I press upon the attention of hon. members the report which was made to the British and Australian governments on the disasters in

Malaya and generally in the Pacific so that we may not fall into similar traps. The report was transmitted to Australia, and as a result a serious effort at coordination has been made there. After yesterday we can get rid of our cobwebs, prejudices and inertia, come down from the clouds, and have a total war effort with clarity, energy, wisdom and strength of thought and action. We need more clarity and energy and more fearlessness of thought. The vote yesterday exhibits the anxiety of the average voter as to the outcome of this titanic world struggle; the demand is for a greater and better effort in view of the money we are spending—four million dollars a day.

What are our objectives for 1942 and planning and strategy in the light of the changes which have been brought about in the scope and strategy of the war by Germany and Japan and their directors of training? Our plans should be formulated and acted upon now before it is too late. This is the third spring of the German offensive. The first spring she captured the whole of western Europe. The second spring offensive began in the conquest of the Balkans and continued until the conquest of Greece. The third offensive may come to Canada. Nobody can tell. It is speculative at present. It is generally supposed to be directed towards the Caucasus, but that may not be the only offensive. Hitler is the grand master of timing. So I say we should revise our schedule and syllabus, and revise our programme in view of this and other expected emergencies. The enemy is about to try a new effort and plan on the Atlantic. Hitler will probably invade Portugal; he may take Spain; and if he cuts our life lines of communications on the Atlantic with the United States, I do not know where the allies are going to be. We face now tremendous odds at sea and on the land. We may be assailed by Hitler from the direction of an attempt to take Iceland. Our fine friends of the United States have done a great deal well, but, as was shown in the Pacific, they are not ready for war and her rearming is far behind schedule to Russia and Britain. Japan destroyed the best part of their navy and they are confronted with serious strategic problems. It is not the will but the power that is wanting. In addition to that, they are not ready as a military power, and we cannot expect them to be ready, because they were an unmilitary power, untrained and unprepared, much in the position of Great Britain after Dunkirk. When they are ready, in a year the war will change at once. It will take them nearly two years to get completely ready, and Hitler is well aware of the fact and wants a knockout in 1942. We should amend our programme to fit in with the realities of the third German spring offensive. Until Britain and the United States have regained control of the Pacific, Canada is in a very dangerous position. So are India, Australia, Ceylon, Burma, Madagascar and South Africa.

I sympathize with the minister in occupying the position he does at the present time. I do not believe that he ever was a pacifist, but this house was imbued solidly with pacifism and disarmament, with the result that it is going to take us a long time to get us into the position in which we should be. Britain, France, and other democracies have suffered the consequences of the same attitude of mind, because they threw away their defences and friends.

I suggest that the minister is fully aware of the fact that we are opposed by a first-class naval and air power in the Pacific. For the first time in nearly 100 years Great Britain has been driven out of southern Asia and India. Japan, no doubt, has other designs and will engage in new attacks. Already she threatens Ceylon and India; she has overrun Burma, and there are reports of an attack on Madagascar, which would bring her to the front door of South Africa and her eastern shores in the Indian ocean. The threat to South Africa is a very real one, and all classes, including the natives, are being mobilized. She has had a bad scare, as has our whole empire.

In the Pacific, three dominions—South Africa, New Zealand and Australia—are near the danger zone. They are looking for aid to the United States, and while the United States is sending men of a good type, we know that men who are not fully trained are of little use to-day and are not ready. Here let me refer to a report which was made by Doctor van Mook, the great Dutch governor general and patriot of Java. Recently he flew to Australia, and he has given Australians some good advice. He does not say anything inimical to Britain, which had promised Java some help that failed to come; he has shown himself a great patriot; and his report is of real significance to Canada, because it proves that without an adequate armed force neither this nor any other dominion in our empire can continue to exist. Only one thing matters in our empire—the military power to defend it.

The very fate of the British empire is now at stake. It is threatened not only in South Africa, Australia and New Zealand but here as well. Let me give you the splendid advice which the great patriot

soldier I named of the Dutch Netherlands gave to Australia—and Canada also should hearken to these recommendations. In the first place, he said, the war should be waged by air and sea. In the second place, the Japanese supply lines are vulnerable; and third, Japan has so many soldiers that even if a large number are killed it will not make much difference. They have, however, strained their resources and now are trying to link up with the Italian and German front in order to get a foothold in north and west Australia and with Italy and Germany. He recommends some simple truths as a means of avoiding the setting up of separate commands. Remember, he says, that this is a totalitarian war. Put aside politics and those aspects of it which do not directly bear upon the war. Do not use untrained men. Whenever the Dutch had anything like equal chance in Java against Japan in the air they dealt with them successfully, he says; but when we were outnumbered ten to one the merits of the pilot hardly entered into the calculation. That is excellent advice which that great man has given on military and political strategy to all our empire.

We are spending money on munitions and equipment that may be obsolete to-morrow. It has been shown since this war started that the methods which have been adopted have been inadequate to cope with Japan and Germany. Germany with her mechanized horde simply marched through Europe. It has been shown that at Singapore they were overmechanized. General Bennett has described the Jap tactics and the chief weapons they used. What we may be looking for if they invade Canada may not be the weapons that they will use. What were the weapons which they have already used? The machine gun, the tommy gun, the rifle and the bayonet. Their main tactics consisted in infiltration by small, daringly led patrols who were sometimes mounted on captured cycles and who pushed far ahead of the regular troops. The House of Commons in London was told on March 27 that Singapore fell because munitions had to be given to Russia and Libya. That is wrong according to the Bennett report. This authority declares that it was the lack of sufficiently numerous and adequately trained and equipped and well commanded forces of infantry to counter the Japanese infiltration tactics that was responsible for the reverses, even though at Singapore their armoured force and their air force and artillery were outnumbered. These are only a few of the matters which are dealt with in the Bennett report and by the commanding officer of Dutch Java.

I admit that the government is faced with a very trying and difficult task to rearm, especially the minister who has to bear the brunt of these three services, because I think he is bearing the brunt of the whole thing. I should like to see better attention paid to soldiers and their dependents. I should like to see a reallotment of pay and reconsideration by the military experts of the report of General Bennett, and other reports which have been submitted to the British government and which have stirred up criticism in conflict with the non-military experts. Japan got back to simple methods and more of the 1918 mentality of warfare—as I say, the infiltration tactics by the surprise of infantry. That was not a new venture in this war. It was adopted by the Germans in 1918 against Britain and France when they made raids without tanks, and it was successful. They captured a lot of equipment and prisoners, as did the allies also in similar tactics later.

Simplicity has been vindicated not only on land and sea but in the air on the Pacific and in other theatres of war. There is bound to be criticism; but criticism is a tonic, or to change the metaphor, it is a weapon that strengthens the hands of the minister. The government must expect reasonable criticism, and I may say that the criticism here cannot compare with the criticism that takes place in Australia and the United States. I hope that now a further contribution will be made to the dependents of soldiers and that there will be better equipment. The minister has said that he has been giving attention to this, and I believe he has been giving attention to it in the last twelve months.

Mr. DIEFENBAKER: There are a few matters which I wish to call to the attention of the committee with a view to securing from the minister certain information, which up to the present time the committee has not received. The vote on the plebiscite yesterday brought under immediate consideration the question of the mobilization of the man-power of this nation. On April 23, the minister, in answer to a question asked by myself as reported at page 1904 of *Hansard* used these words:

> I think I intimated when I spoke in February that my advice was that if enlistments were maintained within a reasonable distance, I think I said, of that level, we would be able to take care of our commitments.

That answer was given to a question which I asked and which read:

Should the voluntary enlistments continue at the rate prevailing since January, would there be sufficient to meet the present needs of the army and the anticipated needs during the present year?

I think now, in view of the tremendous and overwhelmingly favourable vote yesterday and the decisions which will have to be taken in connection with further mobilization of our man-power, the committee should be made cognizant of the facts relating to the mobilization of our men up to the present time. The minister stated that during the months of January, February and March some 29,000 men voluntarily joined the active service forces of Canada, and he gave details of the numbers who had enlisted month by month. I asked a question, the information with respect to which was not then before him, and I think it is necessary that this committee should be possessed of this information if it is to be in a position to have a proper perspective of the man-power situation. How many men were discharged during the same period?

Another question which I asked and on which the committee should have information is this. When the minister points out that some 29,000 men have enlisted in the army during the last three months, before we are in a position to know whether these were voluntary enlistments or not, we should be furnished with information as to how many of them were of the age limits 18 and 19 and then again from 20 to 24. When I asked the minister for this information the other day he said he was unable to give it at the moment. I hope he has the information now, because by no manner of means can many of those who enlisted in the active army be called voluntary enlistments, having regard to the system which is now general over all this dominion so far as young men are being compulsorily called and who enlist in the active army thereafter are concerned. There is not a day passes that hon. members do not receive letters to the effect that after these men are called up they are subjected to all kinds of intimidation with a view to securing their enlistment for overseas service. They are badgered, bulldozed and browbeaten. Therefore, to be in a position to judge whether or not these are voluntary enlistments and the voluntary system can continue in the months to come to supply the necessary numbers, we must be informed of the ages of those who are enlisting.

Mr. RALSTON: Let me interrupt to tell my hon. friend that I would have to go over the attestation papers of every man who has enlisted in the last three months to find the ages.

Mr. DIEFENBAKER: Surely there are records showing the groups, twenty-one, twenty-two—

Mr. RALSTON: I am saying to my friend that there are not.

Mr. DIEFENBAKER: Well the presumption from the fact that this information cannot be procured is that the major portion of the 29,000 are within these age limits and are joining the army because they do not wish to be called up for service in Canada and subjected to the treatment that to-day is being accorded to those called up. Without having that information neither this committee nor the minister is in the position of being able to determine whether, if the present record of enlistments continues, the government will be able to carry on with the present system. The present system operates against the youth of this nation, and under the guise of being voluntary, it is taking young men of eighteen and nineteen and from twenty to twenty-five and placing them in a position where they must join the active forces, and that is called voluntary enlistment.

I suggest that now, in view of the lapse of three or four weeks since the selective system was discussed in the house, we have a right to know what the basis of the selective service system is to be and how the man-power is to be chosen thereunder. Is there to be an extension from twenty-five to, say thirty-five years of age? The time has come when man-power for overseas service should not be restricted to young men in the age limits now being called. The committee has the right to know the attitude of the government at this time, the stand it intends to take, the type of selective service it intends to adopt, so that men all over Canada will be directed into doing their part in the types of service for which they are qualified. Without that information any discussion on man-power is purely hypothetical and of little or no consequence.

Furthermore, the minister says that the department has no information regarding the ages of the men joining for overseas service except by an examination of the attestation papers. Surely among the number of officers in administrative work here in Ottawa there is a statistical branch which could furnish that information without any difficulty. This country has the right to know in what age groups the man-power for overseas service is being mainly mobilized.

To-day's discussion was most interesting. The contributions of the hon. member for Peel

and the hon. member for Vancouver South in regard to the treatment that should be accorded to dependents of men overseas were worth-while contributions; the discussion was joined in without regard to party by hon. members in all parts of the house, and I would say the opinions they expressed are almost unanimously acceptable. A suggestion was made this afternoon that the time had come when men going overseas should receive an addition to their pay of an amount to be set aside as a cushion against the day of rehabilitation after the war.

Mention was made, I think by the minister, that in Canada rates of pay as far as the army is concerned are higher than those in any other part of the world except Australia. It is interesting to note that in the United States within the last few weeks a measure was passed by the senate under which the amount paid to soldiers in the army and sailors in the navy would be materially increased. The increases have not yet been passed by the house of representatives, but in the debate in the United States senate it was generally admitted that in order to have something bordering on equality of sacrifice there should be an increase of pay for men in the armed services. A private, first class, in the United States is in receipt of $36 a month; that is raised to $48. A master sergeant's pay is raised from $126 to $138. All through the non-commissioned ranks material increases are shown. The government of the United States recognizes that in order to secure at least a semblance of equality between men serving in the forces and men remaining at home, the pay should be approximated to some extent. In that connection may I point out, as far as a private in the army is concerned, as the minister stated, Australia pays the highest, namely, $62.10 a month. The United States now pays $42 a month; Germany, $21.60; Britain, $12.20, and Japan, 37 cents. I mention the rates of pay in the countries because they may be of interest. To-day men in the armed services feel that the time has come when some consideration should be given to them along this line as well as a cost of living bonus for their dependents, to which I am not going to make any further reference except that I agree that something along this line should be adopted.

I now want to bring to the attention of the minister two or three causes of dissatisfaction. I am glad the Minister of Mines and Resources is in his place because I want to speak of the situation concerning the Indians in this country. They have not been mentioned during this debate; they very seldom receive any mention; but if all the people of this country had enlisted as generally as have the Indians, there would have been no need for a plebiscite or of discussion along the lines on which I am speaking at this moment. In western Canada the reserves have been depleted of almost all the physically fit men. The Indians in service ask, "Why are we discriminated against? Why are the ordinary rights to go to refreshment places and so on which are allowed to other members of the army denied to us? Why is it that as far as dependents' allowances are concerned $35 is paid to the wives of other soldiers while the wife of the Indian receives $10 and $15 a month?" I ask the minister to give consideration to these natives of our country who to-day are shouldering their responsibility in the armed forces as are those of no other race. They ask that the same consideration be given to their loved ones as is being given to the loved ones and dependents of the soldiers of other races.

This afternoon the hon. member for Brantford City said that one of the greatest aids to morale in the army was the adoption of the walking-out uniform for our soldiers, and presented a very good case in support of his contention. I want now to bring to the attention of the minister a very serious source of dissatisfaction among the armed forces, particularly in western Canada. Under the department for air, air observer schools have been established in Canada. These schools are privately owned. Go to them in any province; I speak of Saskatchewan, with which I am better acquainted. There you will find young men wearing uniforms that would almost lead one to believe they belonged to the fleet. They have blue uniforms with not only one set of wings on the breast but wings on their hats as well. These are civilians wearing uniforms which are mistaken by men returning from overseas for the uniforms of naval officers. Only the other day, while walking down the street, I noticed one of these fellows coming along in his uniform, with two rows of gold on his sleeve, and he received a salute from two men who had been invalided home from overseas.

Mr. POULIOT: Why do they not go to Hollywood?

Mr. DIEFENBAKER: That is not a bad suggestion in reference to this type of uniform. For all the world it looks like the uniform of a naval officer with peacock trimmings. The time has come when men in civilian air schools, while permitted to wear uniforms in order to identify themselves, should be required to wear uniforms that in no way detract from

those worn by the men of his majesty's forces. I realize that under the criminal code to wear a uniform of this kind may constitute an offence, but I believe the time has arrived when, in the interest of the men in the armed services, the practice which exists to-day should be discontinued.

People ask why men do not join the army, and in what I have to say now I refer particularly to those who live in areas in which there are congregated large bodies of conscientious objectors. I am not one of those who suggest that because a man conscientiously believes it is wrong to participate in war, every regard and consideration should not be given that man's religious feelings. That is right and proper, but here is the objection which I have heard stated so frequently by men living in those districts, who have sons and brothers overseas. The services of conscientious objectors consist in going to a national park for a period of four months, during which time they are paid. After they have worked there for that length of time, their service to their country, for the entire period of the war, is over. Is there any justification for that? I suggest to the minister that while we should respect rigidly the beliefs of those who conscientiously object to war service, every man in this country within the age limit set out in the mobilization act should be required to serve for the same length of time, and that the contribution of these people in the period of service should be the same as that of the men who are subject to call for service in the army.

What I have stated, Mr. Chairman, in general summarizes the suggestions I have to offer, except for one further point which I raised last fall and which I raise again this evening. I have in my files a letter from a man who served overseas in the last war. He was blinded in the service of his country and receives a pension of $75 a month. On January 1, 1942, he received notification from the Department of Finance that in consequence of a ruling made by a department of government, his pension would be subject to the national defence tax. That was not a ruling of parliament. That ruling was not the consequence of a statute passed by parliament. It was made under a ruling of an administrative body, and not under an act of parliament. When I brought up this question the last time the Minister of National Defence for Air indicated that he would give consideration to the situation, with a view to ascertaining whether or not such a regulation was legally in effect and, if so, whether consideration might be given to the introduction of the legislation necessary to relieve these 100 per cent pensioners from the payment of such tax. I think we all agree that the men in the army should receive the utmost consideration. I was glad to hear the minister say the other evening, if I understood him correctly, that the discrimination which heretofore existed in favour of the air force as against the army, in the matter of transportation, had been removed. It should be removed. On more than one trip from western Canada I had occasion to see men who were being sent from one part of Canada to the other, under conditions which were anything but favourable to enlistment by those who might see those men in those circumstances.

These may be said to be little things. But, Mr. Chairman, it is these little things which, when rectified, will result in a great improvement in the morale of our troops. All of us in this parliament want to do our part. It is not as a demagogue that I speak; that is not at all the spirit in which I have addressed these remarks to the committee. Throughout this day the arguments that have been advanced in regard to the problems of the soldier have come from this side of the house. That is not because hon. members in other parts of the house do not agree with a great deal of what has been said, but I do think that regardless of what side of the house we are on, it is our duty at this time to bring to the attention of hon. members and of the government such matters as we believe will improve the position of any service men and their dependents and will ensure that they will receive the consideration which can be accorded to them.

Mr. POULIOT: In the first place it is my desire to congratulate the hon. member for Broadview and the hon. member for Lake Centre upon the remarks they have made to-night. They have spoken with knowledge of the subject, and have offered constructive suggestions which should not be forgotten.

This is the most important item of the estimates. Before the Easter adjournment $500,000,000 was voted, and the measure now before the committee provides for the expenditure of a further billion and a half. Our duty here is to check the expenditures, according to the old British principle of ministerial responsibility for the expenditure of public money. The responsibility is all the greater by reason of the fact that we have no detailed estimates for such tremendous amounts of money.

It has been the custom for several years for members of parliament to lay their grievances before the minister, as though they were laying them at the foot of the throne. Of course, the function of the cabinet is

entirely different from that of the throne, and if the throne has the right of grace, which the cabinet does not have, the cabinet has the duty to render an account of all expenditures, even down to the cents, which the throne has not. In order that there shall be no confusion, I establish that distinction before expressing my views on the discussion of estimates in this committee of the House of Commons.

What member knows the organization of the Department of National Defence as it now stands? Of course, there are charts made by draftsmen, showing the organization of each department. Those charts are not available to members. But, since necessity is the mother of invention, I have found a sketch of the department in the dominion government telephone directory. That is just a commonplace book which appears on the desk of every member of the house and of every official who has the right to a telephone number of his own. In this directory under National Defence Department (Army) there commences a list, under subtitles of the different branches of the department, starting at page 80 and going on for several pages. I see a mass of paper on the desk in front of the minister at the moment. There are several brief cases and a big box which must be full of information. That information we want, and we have a right to get it. When we are here in the committee of this House of Commons to discuss estimates, we are not here to put the minister through the third degree. We are here to know what is done with the public moneys which come from the pockets of the taxpayers of Canada. We want to know what use has been made of that money. If the use is good, the department is praised and so is the minister. If the use is bad, then the department and the minister have to be blamed. That is only common sense, and it is in accordance with the old tradition of British parliamentary practice, as is known to every hon. member of the house, even if it is ignored by a large number of dominion government officials.

At page 80 of this dominion government telephone directory, under the heading of National Defence Department (Army), we find first a subtitle—"Administration—Woods building—Minister," and under that heading several people are listed. The next subtitle is "Military Secretary", and under that there are four people who have a telephone besides one for the military secretary himself. Next comes "Deputy Minister—Woods building"; "Real Estate Adviser"; "Secretary of National Defence—Canadian building"; "Stenographic pool—Elgin annex".

[Mr. Pouliot.]

Then there is the next subtitle—"Judge Advocate-General". This was an important function when the judge advocate-general was supposed to examine all contracts before they were signed by the Minister of the Department of National Defence. That was before the department was sterilized in the matter of purchasing ammunition, clothing and so forth. Now, however, all these purchases are made by the Department of Munitions and Supply, who have their own advisers, and the position of judge advocate-general has suffered what is called in Roman law a *diminutio capitis*—or in English, a reduction in status. The judge advocate-general looks after courts-martial, but as everyone knows, courts-martial are decided mostly by the officers commanding. Still the judge advocate-general travels from coast to coast.

The next subtitle is "Estates branch", and then, "Central registry—Woods building", and under that subtitle appear "Subject index"; "Charge-out"; "Personnel index"; "Charge-out"; "Confidential section"; "Mail room"; "Office services".

Next is the subtitle "Contracts branch—Canadian building"; then "Printing and Stationery branch—Elgin building"—that is a duplication of the king's printer, of the printing bureau. The next subtitle is "Translation services," followed by "Translation services"; "Stores audit"; "Inspector General (Central Canada)—Canadian building;" "Chief of the General Staff—Woods building," "Vice-Chief of the General Staff"; "Assistant Chief of the General Staff."

I am reading only the subtitles. I am not going into the details of the minor officials who have the right to have a telephone.

The next subtitle is "Directorate of Military Operations and Intelligence." Intelligence is very important in that department, and I am glad to find it there. There are several subheads under the "Directorate of Military Operations and Intelligence," such as "Operations"; "Intelligence"—double intelligence, apparently, and it is required, of course—"Censorship"; "Geographical section."

Then there is a subtitle, "Departmental library—Canadian building," and then we come to the next, "Directorate of Military Training—Canadian building"; "Directorate of Staff Duties—Woods building," and these last two cover a long list of officials. Next is "Historical section—Records building, Experimental Farm"—"sub tegmine fagi." That is from Virgil.

Next is the "Adjutant-General's Branch—Bate building"; "Deputy Adjutant-General (A) —Bate building"; "Deputy Adjutant-General (B)—Bate building."

The next is "Personal Services—Bate building". Then we have "Selection board B". Then "Appointments, Promotions, Retirements (other than reinforcements)". Then "Officers Reinforcements Courses Routine Orders *Gazette* Discipline and Records". Here we have Major Leighton who is a good friend of the French-Canadians. That is a long name, just like some of those German names. It is just about as long as the name of the Spanish ambassador.

Then we have the "File Room" and "Organization and Administration". Then "Administration and Personnel", and "Discipline and Ceremonial". Then "NRMA Missions and CWAC". I do not know what that means because I have forgotten my alphabet. Then there is "Internment" and "Officer administering CWAC". Then we have "Mobilization and Recruiting—Bate building"; then "MR Section" and "RS Section". This seems to be the most important. They must have a lot of military secrets. Then we have the "Civilian Director of Recruiting" and "DAAG (sigs.)". I suppose that refers to signals. Then there is the "File Room" and the "Directorate of Personnel Selection—Bate building".

Then the "Regimental Funds Board—Elgin building", and "Medicals—Elgin building". There are a lot of those; there is Zumstein, Zinkann and Vanwart. Then we have "Medical Inspection Room", "Naval Medical Services", "X-ray Laboratory", "Central Medical Stores—Earlscourt building", "Directorate of Pay Services—Canadian building", and "Records—Daly building". I have nothing to say about that because I think it is important to keep records of the whole thing.

Then we find the "Corps of Military Staff Clerks Headquarters—Regal building". That must be a regal staff of clerks. Then "Dental Services—Fraser building", "Chaplain Services—Elgin building", "Chaplain Services—Royal Trust building", "Directorate of Public Relations—Central chambers", "Auxiliary Services—Carleton chambers", and "Quartermaster-General—Canadian building". This is divided up. Plato used to say that no one who could divide was divine. I am using the pagan meaning of the word for divinity, and I expect the minister to be just as good with his definitions when I ask him to give me the duties of these people.

Then there are "Engineer Services"; then "DDES Fortifications and Equipment Section". That must be something most important because it is in two parts. Next comes "DDES Works and Buildings Section". It is not so important. Then there is the "Draughting Office (general)", and there is another "Draughting Office for Fortifications and Equipment". There is the "Ottawa Engineer Services Offices", "Engineer Workshop—Cartier square", and "Orderly Room RCE". There is "Supply and Transport", "Movement Control", "No. 9 Detachment RCASC—Landsdowne park". There is the "Master-General of the Ordnance—New Post Office building"; Deputy Master-General of the Ordnance", "Assistant Deputy Master-General of the Ordnance", "Directorate of Ordnance Services (administration)", "Assistant Officers", "General Office Clerks", "Director of Ordnance Services (general stores)", "Assistant Officers", "Clerical Staff", "Tools and Workshop Equipment", "Director of Ordnance Services (technical stores)", "Assistant Officers, Civil Clerical Personnel and Library", and "Joint Technical Stores Depot Office".

Then we find the "British Army Staff". There is a great duplication here. This is under Lieutenant-Colonel Fernyhough, AQMG. Here we have "Director of Mechanical Maintenance", "Director of Mechanization", "Mechanical Transport", "Vehicle Establishments", "Vehicle Records", "Vehicle Spare Parts", "Accounting and Records Branch", and "Director of Technical Research". Then we have "Chemical Warfare Research Establishment", "Signals", "Central Ordnance Depot", "Accounting Branch", "Ordnance Inspecting Officer—Cartier square", "Ordnance Stores—Cartier square sub-depot". There are a number of sub-depots. There is the "Morris building sub-depot", "Supreme Court building sub-depot", "Beach building sub-depot", "IMS building, sub-depot", "CPR freight sheds No. 2", "Garage and Workshop".

There is a long list, and it takes a long time to go through it. I do not intend to deprive hon. members of the pleasure of looking at this most interesting telephone directory. A tremendous amount of money is being spent in Ottawa. I have no objection to enough money being spent in Ottawa for the general staff and those who direct the military part of our war effort, but there should be order in Ottawa if we want order in the army. I say this mostly for the benefit of the rank and file who are told that they will be penalized and sent to "CB" if they report any unfair treatment they receive. My humble idea of the Department of National Defence is that it should be established along business lines and that there should be coordination between the various services in order that the minister could control all the actions of each one of the

various services under his department. It is a most important service, and the organization of the department is such that the five war ministers are jointly responsible for the management of all their departments, not only in virtue of the old principle of ministerial responsibility, but also in virtue of the new principle of joint management.

Therefore, sir, I want order in the Department of National Defence; and in saying that I say it on behalf not only of those who are already serving in the army but of those who are about to be called to the colours, in order that what the minister said the other day, that an officer commanding a regiment should be like a father to his men, shall always be true.

There is one thing to which I strongly object. It is the idea of infallibility of all those under the minister. That is a great mistake. No man in this world is perfect. Members of parliament have opportunities of seeing what is going wrong. Sometimes they have a better opportunity than any minister, because they are in contact with the people; they are in touch with those who are affected by what is done. The department and the minister should accept with the best possible grace any criticism which is made of any branch of the department. They should get the right information and then act upon it.

It is very easy to reply to criticisms about brass hats and the like. It was done during the campaign on the plebiscite. It is done right now. It is to the effect that hon. members who make criticisms are not loyal citizens. What an absurdity! Each hon. member when he is sworn in takes one oath of allegiance, and only one; it is to His Majesty the King. The first duty of members of parliament is to honour the king and to serve their country; and I cannot conceive how any cabinet minister could substitute himself for his majesty and pretend that members of parliament owe him the same kind of loyalty which is due to his majesty, the commander in chief of our army. There is a great difference. Yet the impression is given to the country, by men who are paid by the government, that those who disagree with the government on certain points are, just because of that, not loyal citizens. Is it not a shame?

You have only to read the debates at Westminster to know that there they have freedom of speech to an unlimited extent, and that no member of the British cabinet ever tried to use such means to prevent his fellow members in parliament from saying what they had to say, not only about civilian politics, but also regarding military matters.

We are in this war to win it and we shall win it. But what is required is not only mobilization or national selective service. Everything will depend upon the manner in which the mobilization is carried on and how the national selective service is understood, not by the people, but by those who will be in charge. Therefore I will say this to my young friend, the hon. member for Lake Centre, who at the beginning of his very interesting speech advocated immediate mobilization. No? Well, if I am wrong I will let *Hansard* speak. I do not wish to impute to my hon. friend anything he has not said. If he has not said it, I will go on with what I want to say. It is, that by beating the drum it is very easy to create excitement among the people. Excitement is a bad thing; it is just as bad as fear, during a war. But what I meant when I started on this point was this, that even those who are for total war, including conscription for overseas, all those who are for national selective service, all those who are for total mobilization, with the same definition that I gave it a minute ago must see to it that there is order in the Department of National Defence. That is the first essential.

The only way to have some kind of order in the Department of National Defence is to have the control of expenditure of that department. Who should have it? We, the members of the House of Commons of Canada and the members of the Senate. It is all very fine to say that they are going to defend democracy on all of the five continents, on the land, on the high seas, and in the air, but what will happen if we here in Canada are deprived of the basic rights of democracy? I was astonished last year when all of the items under $5,000 did not appear in the public accounts. I brought the matter to the attention of my chief, the right hon. Prime Minister (Mr. Mackenzie King). My hon. colleagues remember that on that occasion, which was a day of last summer, at 3 o'clock in the afternoon, the right hon. gentleman told me that he would see to it that the public accounts should be more satisfactory this year. What happened this year? It is seven times worse, according to the statement of the leader of the opposition, the hon. member for York-Sunbury (Mr. Hanson). When I said that there was no improvement there—I mentioned $5,000—he said, "No item below $35,000, I think". It was not denied by anyone. How can we have a check on the expenditures of the Department of National Defence? In the first place, we have no detailed estimates; we have a global amount. Before that, we had public accounts. During the last war, when Sir Robert Borden was Prime Minister and Sir Wilfrid Laurier was leader of the opposition, there were two things which we do not have now. They had estimates for

the two war departments and there were complete public accounts. Now we have no estimates whatever except a global amount, and we have no public accounts for all items under $35,000. We do not know what huge salaries are paid to brass hats, what huge salaries are paid to men who have high ranks in the army and who were unable to earn five cents in civilian life before they got those positions, or others who were getting probably too much. We are here just for these matters.

The role of a government and of parliament must also be that of a pendulum, to maintain order. We must regularize everything in this country so that no one may suffer injustice; and the role of parliament is so well acknowledged in that regard that in the rules of the house there is a provision to the effect that every Canadian citizen has a right to petition parliament for the redress of any wrong. I am very sorry that I have had to repeat to-night what I have already said about estimates and public accounts.

Would it not be fair for the minister to give us the details of salaries paid to each of the officials whose names appear in the telephone directory, or, if not, the full details of their staff, with the name of each one, at least the number of employees under each one of them, because, as is well known, very few of the appointments in the Department of National Defence are made by the civil service commission. We are here in the fog. Although I appreciate deeply the constructive criticism made and the suggestions that have been offered to the minister by all members who have already spoken, I find it my duty as a private Liberal member of this hon. house to urge upon the minister the necessity of giving complete information about the salaries of those gentlemen whom I have already mentioned and also about their travelling expenses and all other expenses in the department. The same thing should be asked of the other war departments, especially the air department and the Department of National Defence for Naval Services. On top there is the Department of Munitions and Supply. We know nothing about it. There are some good men there; naturally there must be some. But we must know the functions of each of these men so that when we have a case to submit we shall not have to telephone to ten or twelve or twenty before finding the right man, who usually says he does not know a word about the matter that is submitted to him.

We need order; and the minister, who received in his youth the Liberal training of Nova Scotia, who was told as a young boy to have deep respect for a great national figure who is regarded as a hero in that province, Joseph Howe, should return to parliamentary principles which have had the test of centuries and which are still deeply respected at Westminster and in all other legislative bodies on this continent except here.

Mr. WHITE: In connection with the matter of compulsory deferred pay I am very much in favour of the principle which has been adopted by the department. I am also very much in favour of the suggestion made this afternoon by the hon. member for Peel. I believe—and I have expressed this opinion in the house before in connection with citizens of our country generally—that we should endeavour to supply them in some way with funds to be utilized at the end of the war; we should follow as far as we can the principle of putting the funds of this country into the hands of as many of our citizens as possible so as to assist in the transition from a war-time to a peace-time economy. In that connection I would ask the minister whether the sole purpose of compulsory deferred pay for soldiers overseas is to provide them with money as a nest-egg at the end of the war and, if so, why the same principle does not apply to soldiers in this country?

Mr. RALSTON: I am afraid I cannot give an answer as to why it does not apply. I think it was the hon. member for Broadview who indicated this afternoon that the dependents' allowance regulations had been brought into effect at the beginning of the war. They were studied for something like a year and a half by committees, civilian and service, and it was determined that this method should be adopted. I had often thought of it and, in fact, was pressed very strongly in the department to provide deferred pay for those serving in Canada, but it seemed to me that it might be regarded as breach of contract to start withholding pay after enlistment. It might be regarded as bad faith.

Mr. WHITE: But when they go overseas the principle is immediately adopted.

Mr. RALSTON: Yes; that is part of the contract, but it is not part of the contract to have pay withheld in Canada. That is the sole reason. I think it is a sound principle and useful for the purpose suggested, and but for that I would have adopted it.

The hon. member for Lake Centre referred to the matter of discharges. He asked how many had been discharged during the three months period January to March. The exact number is 4,482, in England and in Canada. That is something like half of one

per cent per month, which I think is quite a normal figure of wastage. The number discharged as physically unfit, included in that figure, is 3,261.

The hon. member asked how many had enlisted between the ages of eighteen and nineteen. As I advised him, I have not the figures, and the only way of getting them that I know of would be to go through the attestation papers individually. But it developed that the real reason why my hon. friend wanted this information was to be able to demonstrate that the enlistments, the record of which I had given for January, February and March, 28,686, had come from men who, to use his own expression, had been bludgeoned and browbeaten in the miltiary training centres and that he wanted to show that they came within that age limit. I can tell him that he does not need that information in order to find out pretty accurately how many were men from the training centres. Of the number who enlisted in that time approximately 16 per cent were men from the training centres. That means something like 4,000 out of the 28,000 enlisted from training centres or National Resources Mobilization Act camps. Therefore I do not think my hon. friend should feel that those enlistments are very seriously boosted or increased by men from training centres. The figures for April are now practically complete, because we are close to the end of the month. Over 10,000 enlisted, so that the figures for the first four months are something like 38,000 or 39,000 altogether, and of those, on the same percentage, something like 5,800 would have enlisted from the training centres.

I want to repudiate in the strongest possible terms the statement that men are bludgeoned, browbeaten and generally forced to join the army. I have stated to the committee on previous occasions that when reports have come to me from time to time or statements been made such as my hon. friend made to-night, I have investigated them and have found no grounds for any statement that there was undue or improper pressure except on one occasion, and I took prompt action in connection with that. I say to the committee that the recruiting figures are not built up to any extent by recruiting from the training centres. I do not think my hon. friend does recruiting good service when he makes statements of that kind. There is no doubt that in the training centres the men themselves, men who are "active" as they call it, bring a certain amount of pressure to bear, but I have also indicated that I have been in a number of evangelistic meetings in my youth in which exactly the same sort of enthusiasm and pressure was used. I have said and I repeat that the instructions are that there shall be no difference whatever in treatment in the training centres. Leave is given to men who enlist to allow them to go home and arrange their affairs, but as far as treatment is concerned they are given exactly the same treatment as the others. The orders are that there is to be no discrimination of any kind, no undue pressure, no improper influence used. If any hon. members have any cases to bring to my attention, I will see that they are investigated as thoroughly as possible.

My hon. friend dealt with the matter of pay and allowances. That had a pretty thorough discussion this afternoon. I do not think there is anything I can add to what I have said.

The cost of living bonus was discussed to-night by the hon. member for Broadview. I did not reply to him because I had already said what I had to say on that.

My hon. friend referred to pay and allowances in the United States. He knows they are considerably below Canadian rates. Those below the rank of warrant officers get no dependents' allowance at all, whereas since the beginning of the war we have been paying them and paying rates higher than those in the United States. There is a movement going on now to increase the rates of pay there. I have said I will give consideration to the representations made respecting dependents' allowances and the suggestion as to deferred pay.

My hon. friend made another suggestion, namely, in regard to Indians. I do not know whether he was in the committee this afternoon when I dealt with the matter of dependents' allowances to those who are in the West Indies. The hon. member for Rosetown-Biggar brought it up. When I went to investigate the question of dependents' allowances to those in the West Indies, Jamaica particularly, I found that a reduction had been made to some of the Indians in this country. Exactly the same action will be taken and, as a matter of fact, has been taken in connection with the Indians as I indicated would be taken with regard to those in the West Indies. That is to say, the amount of $35 for the wife's allowance will be paid in full, and will not be subject to any reduction. I may add that in connection with Indians there are some cases, as my hon. friend may understand—and this does not apply to Indians alone but also to other citizens of Canada—where it is thought well, both under the Pension Act and under the

dependents' allowance regulations, to appoint guardians for administration. There are some odd cases of that kind.

Mr. DIEFENBAKER: It was a general principle in regard to Indians not to give their wives the full allowance.

Mr. RALSTON: In that connection I am told that savings for future emergencies are being encouraged among the Indians. As has been intimated, no permanent reduction in allowance is contemplated. As a matter of fact, I am not sure whether there were any actual reductions in allowances to the wives of Indians, but I rather think there was, in some instances, a withholding of pay, and administration by the guardian. In any event I want to assure the committee that the full amount will go to their credit, as in the case of the wives of those in the West Indies whom I mentioned this afternoon.

My hon. friend had two other suggestions, one with regard to air observer schools. I heard what my hon. friend said, and he gave a graphic description, but I have not the faintest idea what is occurring there or who are these civilians wearing uniforms. Certainly I shall inquire into the matter, because I agree with him that there is no reason why civilians should be appearing in any uniforms which might be misleading, or which might indicate that they were in his majesty's service.

With regard to conscientious objectors, I think I caught the drift of what my hon. friend said. He was indicating, I understood, that they should serve in some non-combatant capacity, for the same length of time as those who are called up to serve in the armed forces. There is no reason in the world, as far as legal power is concerned, why this should not be done, and I shall bring it to the attention of my colleagues who have been dealing with this question, one of whom has just come into the house.

This matter has been brought to my attention in another way. The suggestion has been made that there is a place in the armed forces where these conscientious objectors could serve; that is to say, in the medical corps. I have taken the position, rightly or wrongly, that the men who serve in the armed forces must be in a position to take on whatever is necessary in the army. I do not want a distinction made between the duties which men may be called upon to perform. As a matter of fact, from time to time we may have medical orderlies who go into other branches, or who come from other services. Someone may come from headquarters into the medical corps, or on the other hand a medical orderly may go to headquarters duty. I have a distinct recollection of a time when medical orderlies, cooks, batmen and everyone else went into the line. To make any distinction of the kind in a unit I do not think is for the good of the unit itself, so I would hesitate to have men in the unit who could not be called upon to do combatant service.

I think the hon. member for Témiscouata took a good deal of time, if I may say so, in explaining why he took the trouble to ask for particulars with respect to the estimates. I have no objection to any hon. member asking for particulars or for any information he desires. I thought the hon. member took nearly half an hour to get a running start at the real question he was going to ask. He put up some straw-men in order to knock them down again. He suggested that there was some idea of infallibility in the Department of National Defence. There is nothing of the kind—

Mr. POULIOT: Hear, hear.

Mr. RALSTON: My hon. friend just set up that straw-man and knocked it down again. I do not think he added to the strength of his argument, however, in doing so. I can assure him that I am the first to admit our fallibility, so there was no need for him to argue about it. Changes have been made in the Department of National Defence from time to time, and probably still more changes will be made. In fact, if one may judge by my hon. friend's prediction and suggestion, which he made on the public platform, a change in the minister probably will be the first thing he will advocate. The hon. member suggests that someone in the department has suggested that it is disloyal to offer criticism. No one has suggested anything of the kind. The hon. member simply makes that up as he goes along.

Mr. POULIOT: No, no.

Mr. RALSTON: He puts it up for the purpose of knocking it down again. No one has suggested that it is disloyal to offer criticism. I think I have taken as much criticism as anyone, and I have not accused anyone of disloyalty. The hon. member also suggests that there is some idea in the government that members of parliament owe the ministers a loyalty the same as that we owe the king; that is as I took down his words. That only has to be mentioned to

indicate that it is simply a figment of the imagination which my hon. friend has built up to air on this occasion. Let me say to the hon. member that, while I have not the reference here, he is absolutely incorrect when he states that no estimates have been given except the global estimate. I read into the record the first day I was before the committee a statement showing the various objects of expenditure, and the various functions, or, in other words, a break-down of the $997,000,000. I quite agree that it was not in the detail which my hon. friend would suggest. I believe it contained only seven or eight items altogether, but it did indicate to the committee the sort of expenditure which was proposed, and there was no objection whatever to giving any estimates of expenditure if my hon. friend wanted them.

Mr. GREEN: Just on that point, would it be possible for the minister to give a further break-down of the army estimates?

Mr. RALSTON: I am advised that it would not be possible to give a further break-down of the total amount; but in regard to items such as my hon. friend asked for, namely salaries, there is no objection whatever to giving those. My hon. friend used these expressions. He said there were huge salaries being paid to brass hats, and huge salaries to men in the army who were not able to earn five cents before they got in the army. I just say to my hon. friend that this statement is absolutely without foundation. The men in the army do not profess to be infallible; but they cannot speak for themselves, and I say to my hon. friend that I do not propose to have a statement of that sort go unchallenged. I have received and this country has received loyal support and loyal and efficient service from the men in the army; and I want to say to my hon. friend that I think it ill becomes a member of parliament to stand in his place here and make a statement of that kind.

In connection with the salaries which are paid to men in the army, I may say to the hon. member that as a matter of fact most of those men are not professional soldiers at all. They are men who have been in the militia. Most of them served in the last war. They have been called in and have changed their profession for the time being in order to help out in connection with war work. There are a certain number of professional soldiers, and thank heaven there are, because we did not treat our professional soldiers any too well, at least during the period when I was Minister of National Defence previously. I take my share of responsibility for that. From 1926 to 1930 the army and national defence services were nearly starved, and I make that statement now. It seemed to me that perhaps the most popular indoor sport in those days was cutting amounts off the estimates for national defence, and the hon. member for Témiscouata did his share of advocating that this be done. Now I say to my hon. friend that in spite of all that, the men who were professional soldiers did keep on. The organization that we have to-day, which does not suit my hon. friend, does not suit me nor does it suit the men who are in it, but it is an organization that had to be built from the ground up. I say that when you expand an organization from ten thousand men, as it existed on September 9, 1939, to about three hundred thousand men as it exists to-day in the army alone; when over 425,000 men have been enlisted; when you have had the expansion which the establishments of the army have had from the Atlantic to the Pacific, not only in connection with operations but in connection with training; when you have sent overseas the men who have been sent and the organizations which are over there, it has meant a tremendous amount of work. I was glad my hon. friend read the list which he did read, because it indicated the multiplicity of activities which are carried on by the Department of National Defence. We have to enlist and train and clothe and house and feed these men. We have to move them from place to place. We have to see that they are supplied with proper rations; we have to see that they are furnished with training facilities, that armaments are supplied, that arrangements are made for getting them across the country and over on the other side of the ocean, and then we have to arrange for the same things over there. Therefore the activities carried on by the department are not small, and I make no apology for the list which my hon. friend has read or the list which he could have put on record.

I say to my hon. friend now that if he will look at the tabulation which I put on the record this afternoon, he will see the salaries for the men in the army from the rank of colonel down, and I give now the information I was asked for this afternoon, a statement with regard to the salaries in the army from the rank of colonel up, so that my hon. friend and other hon. gentlemen will know exactly what salaries are being paid.

The highest pay in the army is that of the Army Commander, General A. G. L. McNaughton—a total of $14,000 per annum, without any additional allowances.

The two corps commanders are each paid $10,585 per annum, with dependents' allowances in addition.

Divisional commanders are paid $8,760 per annum, with the same allowances.

District officers commanding are graded in class 3 with pay of $6,205 per annum, plus the same allowances. Where they are compelled to provide their own quarters and subsistence, an allowance of $365 per annum is added.

Other officers of the rank of brigadier and up usually hold staff appointments in which they are graded according to classification. The higher classifications are listed in article 124 of Financial Regulations and Instructions. The chief of the general staff is paid by order in council a flat amount of $10,000 without any allowance; the adjutant-general and the quartermaster-general are paid $7,300 per annum. The tabulation of classes is as follows:

	Exclusive of dependents' allowances Per annum
Class 1	$8,760 00
" 2	7,300 00
" 2A	6,752 50
" 3	6,205 00
" 4	5,840 00
" 4A	5,292 50
" 5	4,745 00

The vice-chief of the general staff comes in class 2A. While class 1 appears in the table above with a salary of $8,760 per annum, I do not think there is anyone in the department receiving the pay of that particular class at this time. So my hon. friend can take the ranks of the officers, put these figures beside them, and find the answer to his question about these huge salaries paid to brass hats and men in the army who were not able to earn five cents before they got into the army. That would give my hon. friend the information he wants, and I assure him that if I can give him any further information within reason which will be of help to him and the committee, I shall be glad to do it.

Mr. POULIOT: I rise to a question of privilege. I do not wish the minister to misquote me and give another meaning to what I said. He has given the impression that I complained that the soldiers are too well treated, that the sailors are too well treated, and so forth. That is not the situation. I complained only of Ottawa; that is all.

Mr. RALSTON: My hon. friend the leader of the opposition asked me with regard to the building of a mess at Petawawa. I have the figures here. I am advised by the deputy director of engineering services, which I might say for the benefit of my hon. friend the member for Témiscouata is what D.D.E.S. stands for, that the only mess construction during the year April 1, 1941 to March 31, 1942, at Petawawa was as follows:

Engineers' mess—reconstruction of old building to provide messing accommodation for a total of 160 officers...	$ 6,555
Royal Canadian Artillery mess—reconstruction of old building to provide messing accommodation for a total of 160 officers.....	3,150
Royal Canadian Artillery—reconstruction of old building to provide messing accommodation for a total of 160 officers	14,000
Camp Headquarters mess—reconstruction of old building to meet present requirements	2,544
	$26,249

For the benefit of my hon. friend the member for Témiscouata, I just want to say that the number of civilian employees at headquarters, is 1,673, and the total paid to them is $1,616,985. The military personnel comprises 385 officers and 900 of other ranks, or 1,285 altogether, with pay of $1,542,000. The total personnel, civilian and military, is 2,958, receiving total pay and allowances of $3,158,985, which is ·32 or 1 per cent of the total cost of the Canadian army for 1942-43.

Mr. POULIOT: I congratulate the minister. We have got some information. That is a start, and if I had not been so insistent about it we never would have got it. Of course I may have made a mistake when I said that we had no information about the $2,000,000,000 vote. But the details of the items were contained in only seven lines, as the minister said just a moment ago. That is perhaps less than fifty words to explain an expenditure of $2,000,000,000. Imagine what detail that is!

Mr. RALSTON: One billion dollars.

Mr. POULIOT: It is one and a half billion dollars. It includes that branch.

Mr. RALSTON: I was speaking of the amount of $997,000,000.

Mr. POULIOT: Even at that it is practically one billion dollars. Divide that into seven, and it means that each estimate is one-seventh of the one billion dollars. That was not very much detail to give, and it is a

good thing that the minister has given us some information to-night. It is a good thing for his own protection in the department and a good thing to satisfy the minds of the electors of this country.

Mr. CRUICKSHANK: They are satisfied.

Mr. POULIOT: If they are satisfied, it is because they do not know. If they knew more, they would not be satisfied.

Mr. CRUICKSHANK: They would not elect the men they do.

Mr. POULIOT: I will tell the hon. member for Fraser Valley I absolutely share his views regarding the defence of this country and what he said previously. It was his best speech.

Mr. CRUICKSHANK: No.

Mr. POULIOT: There is a difference between better and best. His best speech was when he complained of the brass hats in the Department of National Defence, and when he spoke on that I cheered him heartily and banged my desk and said to myself, here is one man who is not afraid to tell the truth.

I say that in the army there are not only good men but very good men. But the value of an officer is not in his uniform alone or in the shine of his boots. It is in his brains and in the kindness of his heart. The minister was right when he said the other day that every commanding officer should be like a father to those in his regiment under him. But what I find is that the soldiers are very often exchanging their fathers, meaning by that, that recruits and soldiers of my county are presently defending British Columbia. I do not complain about that. I understand that this is their country and our country from ocean to ocean. But what was extraordinary was this. I was informed by the Department of National Defence, dated April 6, telling me that a farmer's son had been given six months' leave to return to cultivate his father's land. I was greatly surprised two weeks later to receive a letter from this young man, who was at first at Valcartier, Quebec. It had been posted under date of April 20, at Nanaimo, British Columbia. This young man was awarded six months' leave by the constituted authority, the commission of national war services, but he could not enjoy that leave because the Department of National Defence did not stand by the decision of the commission which, according to the national war regulations, is final. The Department of National Defence did not respect the law; they took that boy and instead of sending him to his father to cultivate the farm, they sent him to British Columbia. He was never informed that he had been given that leave. I do not know if that was done in bad faith or through ignorance, but it was done just the same. Here we have an example of disrespect of constituted authority, disrespect exemplified by that action of the Department of National Defence.

The minister said, in the first place, that I spoke too long and, in the second place, that he was glad that I read part of the long list of departments under his control. He said it is costly because there are so many. I do not object to the minister having a number of branches in his department provided they are useful and provided that these people do not spend their time clicking their heels and spurs on Sparks street, Slater street, Elgin street and the other streets in Ottawa, showing how important they are. What they should do is not to show that they are important—I say this to the minister as well as to his subalterns —they should show that they are useful, that they are defending this country well and are making the best possible use of the men who are serving in the three branches.

When we dare to raise our voices to complain of injustices we receive the spurn of contempt, we hear contemptuous laughing; we do not need that. I will tell the minister once again what the greatest soldier of our times, Marshal Foch, said about the military art. He said that it was based on common sense, meaning that every action of the army had to be justified on the basis of common sense. Common sense is accessible to all; it is not an unusual gift. If the minister acts in fairness to all, to the army as well as to the members of the House of Commons; if he wants to act in fairness to all, he should go on in the way of his first steps to-night. He should give us more information, not only about the salaries paid in the Department of National Defence, but also about the expenditures for travelling, for allowances and other things.

We want a policy of national defence that can be commended to the Canadian people, that will satisfy the Canadian people and that will mostly satisfy Canadian soldiers, Canadian sailors and Canadian airmen. The minister may be a great man. I am a humble private member of this hon. house, but I am ready to do anything to help the Department of National Defence provided we get rid of all the nonentities who are there and who are responsible for the things like the one I have

just mentioned. They cannot be defended. If the minister wants the number I will give it to him.

Mr. RALSTON: I would like it.

Mr. POULIOT: I shall send it by mail to-morrow. The other night the minister said that agriculture was rendering great service in this war. That is quite true. However, I do not understand the exact position of the government with regard to farmers and farmers' sons, in spite of that general statement which was made. The minister has led the committee to believe that if a certain delay in the training could be given to new trainees, it was difficult for the department to give leave to farmers and farmers' sons who were already in the army.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Wednesday, April 29, 1942

The house met at three o'clock.

CANADIAN NATIONAL RAILWAYS

REFERENCE OF BUDGET, ANNUAL REPORTS AND CERTAIN ESTIMATES TO RAILWAYS AND SHIPPING COMMITTEE

Hon. C. D. HOWE (for the Minister of Transport): I wish to lay on the table the financial budget of Canadian National Railways and Canadian National (West Indies) Steamships Limited for the calendar year 1942 and to move that the same be referred to the standing committee on railways and shipping, owned, operated and controlled by the government, together with the following annual reports for the year 1941 which were laid on the table of the house on March 19 last: Canadian National Railways, Canadian National (West Indies) Steamships Limited, Canadian National Railways Securities Trust, George A. Touche and Company, auditors of the accounts of the Canadian National Railways System; also the annual report of Trans-Canada Air Lines for 1941, tabled March 23, 1942, together with the following items of the estimates for 1942-43:

400. Maritime Freight Rates Act, Canadian National Railways eastern lines;

401. Maritime Freight Rates Act, railways other than Canadian National Railways;

410. Canadian National (West Indies) Steamships Limited, capital advances;

411. Prince Edward Island car ferry and terminals deficit, 1942.

And that the resolution passed by the house on the 20th February, 1942, referring votes 400, 401, 410 and 411 to the committee of supply, be rescinded.

Motion agreed to.

EXTRADITION TREATY

ARRANGEMENTS BETWEEN CANADA AND THE UNITED STATES GOVERNING EXTRADITION OF CRIMINALS

Right Hon. W. L. MACKENZIE KING (Prime Minister): A new and comprehensive extradition treaty between Canada and the United States was signed this morning in Washington. The signatories of the treaty were the Canadian minister in the United States, Mr. Leighton McCarthy, for Canada; and Mr. Cordell Hull, the Secretary of State for the United States.

The new treaty, which governs the arrangements between Canada and the United States for the extradition of criminals who have fled from one country to another, replaces a series of treaties and conventions which began with the Ashburton-Webster treaty 1842, which was subsequently modified by conventions in 1889, 1900, 1905, 1922, and 1925. In 1931 a new treaty, similar to that now signed between Canada and the United States, was entered into between Great Britain and the United States. While the 1931 treaty replaced the Ashburton-Webster treaty and other conventions, it had no effect upon the position of Canada and the United States. Such modifications as have been made in the new treaty are designed to bring the regulations governing extradition into line with modern conditions.

The new treaty is subject to ratification. It will not be published until arrangements have been completed for its presentation to parliament and to the Senate of the United States.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

PRICE CEILING—SUBSIDIES

Mr. HAZEN:

1. On what goods and materials, domestic and imported, are subsidies now being paid?

2. What subsidy is paid on each kind of goods and materials?

3. How much has been paid to date on each kind of goods and materials?

4. What are the names and addresses of the persons or companies who have been paid subsidies and how much has each received?

Mr. ILSLEY: I request that this be made an order for return, but with clause 4 dropped

for the reasons that I stated the other day in the remarks I made to the house with regard to subsidies.

Mr. HANSON (York-Sunbury): I suppose this is not debatable, but there is a matter of principle involved, just as there is in regard to question No. 2, which has to do with the wheat acreage reduction bonus.

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): I have been looking into this question and the principle involved. I believe the principle to be this: if the minister will state on his responsibility as a minister that it is not in the public interest to divulge names in answer to an inquiry of this kind, he takes the responsibility and the matter stands there. That of course does not relieve the ministry of the responsibility of giving the information if some other method is adopted of asking for it. For instance I think it would not apply on a motion for a return. But I am bound to say that with some surprise I find the rule laid down in May and Bourinot could be such as I have stated.

With respect to the principle underlying question No. 2, the minister has never yet stated that it is not in the public interest to divulge these names; he has given another reason, a reason which no doubt commends itself to him, that it would not be desirable to divulge all the names to those who are seeking them for ulterior purposes. As to question No. 3, as I appreciate it the reason might be on an entirely different basis, namely, that these persons who are to be the recipients of subsidies have these subsidies more or less forced on them—I do not understand that they are applicants for subsidies, but by reason of government policy they are entitled to subsidies. I can well understand that individuals coming within the category of those who are to receive subsidies might get a good deal of undesirable publicity if their names were mentioned.

Mr. ILSLEY: The subsidies are not forced on them.

Mr. HANSON (York-Sunbury): But by reason of government policy they are entitled to them and must receive them if they are to continue in business.

Mr. ILSLEY: That is correct in most cases.

Mr. HANSON (York-Sunbury): Therefore I can understand that it might prejudicially affect their business in the mind of the public. For instance a mortgage company might receive $10,000 for summer-fallowing and carrying on good husbandry. I am not saying there is such a recipient of government largesse, but there might be, and I think the two things ought to be distinguishable. We ought to be able to work out some satisfactory method which will protect the public interest and at the same time leave to hon. members some of the rights of which I am sorry to think we are being deprived.

Mr. COLDWELL: I am going to take up this matter as one concerning the privileges of the house. It seems to me that the privileges of the house are being infringed by the refusal of ministers to give information regarding the expenditure of public money. I have been looking up some authorities. I have before me Durell's "Parliamentary Grants". The case that has been made by the opposition for the presentation of accounts of the kind asked for in two of these questions is supported by the practice of the British parliament. I quote from page 2 of Durell:

> The bed-rock on which the English system is built is the principle of the maintenance by parliament of control over the grants which it makes. This can only be properly and intelligently discussed if the general principles of the whole system are understood. A preliminary consideration of the English financial system generally is therefore advisable, before dealing with the more restricted subject of control and accounting.

Then it goes on to quote the British practice regarding appropriation and accounting. Again I quote from page 4:

> The power of appropriation drew with it the necessity for estimates being regularly laid before the House of Commons, and, by exposing the management of the public revenues, has given the house not only a real and effective control over an essential branch of the executive administration, but in some measure made parliament a partaker in it.

I would like to draw particular attention to these words:

> Appropriation alone is, however, of little avail if no provision is made for securing compliance with it. The right of appropriation must be accompanied by the right of parliament to satisfy itself as to the expenditure of the money on the services for which it has been voted.

Then again we have this:

> The supreme control of the Commons over public grants, as already mentioned, necessarily demands the complete right of control over the manner in which those grants are spent.

I should like to quote what the Right Hon. W. E. Gladstone said in this connection:

> It is undoubtedly the business of the House of Commons to be responsible not only for the inception of all public expenditure, but also to follow the money raised by taxation until the last farthing is accounted for.

This authority also deals with the question of withholding information from the house. It says:

Information in connection with the accounts may be required either for the purpose of testing the accuracy of the accounts—that is to say, for the verification of computation, appropriation, authorities, and regulation;
or with a view to investigating the propriety of the expenditure;
or, finally, information may be required not directly connected with the accounts, but relating to the system. Information under the first head cannot be withheld by a department.

In other words it seems to me that the contention that it is the right of this house to demand an accounting of these expenditures "to the uttermost farthing" is perfectly sound and perfectly valid; for we can have no real accounting unless we know where the funds have been spent. I submit we are on sound ground in asking that these questions be answered.

Mr. SPEAKER: The question before the house, I take it, although not so stated, is in the form of a point of order with regard to the answer of the Minister of Finance (Mr. Ilsley) respecting paragraph No. 4 of the third question. What the hon. member has just quoted deals with the merits of the position taken by the minister with regard to something in his department. The responsibility of course must be upon the minister, but what we have before us now is a query with regard to a question which the Minister of Finance is willing to make an order for return subject to the exclusion of part 4 of the question. We must confine ourselves to what the minister has stated. In that connection question No. 2 has already been before the house, and I recall that the Minister of Agriculture (Mr. Gardiner) in making his reply stated that it was not in the public interest, as he understood it, to give that answer. If any other hon. member wishes to speak I shall be glad to hear him, and then give my ruling.

Mr. MacINNIS: I do not know that the point I am going to raise in this connection is purely a point of order. But I should like to point out that the Minister of Finance seeks to stipulate the kind of question that may be passed as an order for return. He moves that this question be made an order for return on the understanding that clause 4 be dropped. We must object to that, because clause 4 is the very one which relates to the furnishing to the house of the information asked for. If we allow this clause to be dropped without a protest we shall be creating a precedent. I suggest that the proper way to proceed would be to pass this question as an order for return as it stands, and then if the minister is not satisfied he can ask that the question be amended. There would then be an opportunity for discussing it.

Mr. MACKENZIE KING: A word as to the question of privilege which the hon. leader of the Cooperative Commonwealth Federation (Mr. Coldwell) has raised. The hon. member has cited from Durell the principles which govern the control by the Commons of all its grants. There can be no question at all as to the Commons having the full right to control all expenditures and the full right to a most complete examination into those expenditures. The point in question is not one of the principle involved; it is a matter of procedure, as to the time, the place and the manner in which control and examination is to be exercised and the possible harm which may result if information is given to parliament in one way rather than in another. The minister has drawn attention to the fact that if the information is presented in one form it might further ulterior purposes which hon. members of the House of Commons would not wish to have served. On the other hand, as my hon. friend knows, in committee of the whole and before other committees and at other times there is ample opportunity to have all the information requested extracted from the ministry if it is desired that this be done.

Of course the rule that governs in these matters equally is that an answer to a question cannot be insisted upon if the answer be refused by the minister on the ground of the public interest. Unquestionably that is why the answer is not being given by the minister at the present time, but that does not mean that at another time, in another place and in another way the Commons may not exercise its full control over the expenditures.

Mr. HANSON (York-Sunbury): If I may ask a question, I do not understand that either minister has insisted on the ground which the Prime Minister has just mentioned, I believe referring to Beauchesne, which is the same as that appearing in Bourinot. I have not understood that either minister put the refusal on the express ground that it would not be in the public interest to divulge these names. If I may be permitted further—I do not know that I have any right to speak at all—I would say that if the information can be obtained in another way, perhaps in committee of the whole as the Prime Minister suggests or by some other modus operandi, is it not just a farce to say that members cannot obtain it by putting a question on the order paper? There is a principle behind all this, and I am going to ask the ministry to take it into consideration. Is it not in the public interest that we should know where public moneys are going? There can be only one answer to that.

Mr. ILSLEY: With regard to this matter, on April 23, 1942, at page 1881 of *Hansard*, I said:

> After very careful study of this subject, I have come to the conclusion that it is definitely not in the public interest currently to give the names of persons to whom subsidies are being paid, or the amount paid to each.

Then I went on to give the reasons, and continued:

> At the same time my feeling is that at the appropriate time information as to the individual recipients of subsidy payments should be given to the members of the house. I have carefully considered methods by which this can properly be done.

I went on to consider two methods, and expressed my preference for the second method. I then concluded that portion of my remarks with these words:

> My present view is that after the end of each fiscal year there should be a complete report of some kind along the lines I have indicated, and that course will be adopted unless, in the meantime, some compelling reason appears why it should not, in which case I will make a statement to the house before the end of the present session, a statement that the house will have full opportunity of debating.

Mr. HANSON (York-Sunbury): I stand corrected so far as the minister is concerned. I was not here at that time.

Mr. ILSLEY: I do not think it would be of much advantage if I should give further consideration to this question; I have given so much already. I am as fully aware as any other member of the salutary effect upon public officials and upon applicants for subsidies of the knowledge that these payments may be made public at any time, or at some time. I do not regard it as an advantage to myself or to the government at all to keep these matters secret. It is not for that reason.

Mr. HANSON (York-Sunbury): I do not think anyone suggested that.

Mr. ILSLEY: Perhaps I have not made myself clear. I am not taking this position on any ground of convenience to the government, or anything of the kind. I am taking this position because, after full consideration, I do not think it would be a salutary or wholesome practice for persons in business to be able to rush in from day to day, place questions or motions on the order paper, and find out whether their competitors were getting some payments, and how much, particularly since that information cannot be given, unless accompanied by a lengthy explanation, without leaving a complete misunderstanding of the situation. That information cannot be given piece-meal without doing a great deal of harm and considerable injustice. For that reason I stated that my present view was that the information should be given as part of the whole picture, that the whole picture should be presented at once. If I find some objection to that of which I have not thought so far, I have undertaken before the end of the present session to make a statement that can be fully debated.

Mr. SPEAKER: This matter of answers to questions came up previously in the house, and perhaps it may be as well to clarify and amplify the position as much as possible now.

When the question came up whether a member could withdraw a question and what procedure he should follow, I quoted citation 355 in Beauchesne's "Parliamentary Rules and Forms", which states a ruling made by Mr. Speaker Marcil on January 13, 1910, in which he said:

> In my opinion there are only two ways in which a question can be properly withdrawn when once it has been presented for answer in the house, that is, first by written notice by the member putting the question to the clerk of the house, stating that the question is withdrawn, or by the member in his place in the house informing the Speaker that he desired the question to be dropped or withdrawn.

Now we have the question on the order paper; the minister has taken the position that he will give an order for return subject to the deletion of paragraph 4, and the point is whether or not he can be compelled to answer that question. The rule is perfectly clear. The practice here is the same as in England and, as already mentioned by the Prime Minister, citation 353 of Beauchesne states:

> An answer to a question cannot be insisted upon, if the answer be refused by the minister on the ground of public interest.

Bourinot, 13th edition, at page 314, states:

> An answer to a question cannot be insisted upon, if the answer be refused by a minister on the ground of the public interest, nor can the question be replaced upon the notice paper, nor the refusal of the minister to answer be raised as a question of privilege.

So that there has been no diminution of the powers of hon. members of the house with regard to questions. The practice which is now followed is the practice that has been followed in the past and, as I have already said, the practice which exists in the British House of Commons. When the minister, therefore, on his responsibility takes it upon himself not to answer a question because of the public interest, an answer to the question cannot be insisted upon. There is nothing before the Chair and the Chair is not obliged

to give a decision. All that happens is that the question is dropped and the next question called.

Question passed as an order for return with the deletion of paragraph 4.

WHEAT ACREAGE REDUCTION BONUS

Mr. HAZEN:

1. What are the names and addresses of the persons to whom cheques were issued, (a) for over $10,000, (b) for $5,000 to $10,000 on wheat acreage reduction bonus?
2. How were the amounts made up?
3. How much did each receive?

Mr. GARDINER: When this question was called a moment ago I asked that it stand. Now I should like to have it dropped.

Mr. HANSON (York-Sunbury): The minister asked that the question stand, and I am going to ask to have it stand, on the theory that later he may not think it is not in the public interest to give the answer.

Mr. GARDINER: I thought I had said and argued on two previous occasions that it was not in the public interest to answer. I state now that it is not in the public interest to give the answer.

Mr. HAZEN: Before this question is dropped I should like the opportunity to say a few words about it.

Some hon. MEMBERS: Order.

Mr. SPEAKER: The question is in the hon. member's name; he should be allowed to speak on it.

Mr. HAZEN: I put this question on the order paper over a month ago. The Minister of Agriculture on a number of occasions has objected to answering it. In view of the position he took I thought it might be advisable for me to withdraw it, but on giving the matter further consideration I came to the conclusion that I should not do so.

The information for which I asked means the publication of the names and addresses of 7 persons, and the particulars as to the amount each of them received. I do not know the total amount those 7 persons received, but I believe it is well over $50,000.

I was under the impression when I asked the question that those 7 persons were farmers, but from the statement made in the house a few days ago by the Minister of Agriculture it appears that 2 of them were corporations. This, it seems to me, is another reason why the question should be answered.

The other day the hon. member for Rosetown-Biggar said he had asked for information on the floor of the house about some of the men in the lower brackets who had received these subsidies, and that he had been given the information. I do not believe that creates a precedent, because I do not think it is necessary to create a precedent in this matter. We are dealing here with the well-established principle that the government and the ministers thereof must account for public moneys passing through their hands.

A reply to this question involves the publication of only 7 names, not 186,000. I would point out that until January 31, 1941, the enormous sum of nearly $26,000,000 was paid to 186,000 farmers—and, it now appears, corporations—under the wheat acreage reduction bonus plan passed by order in council on April 30, 1941. In my opinion, while a good deal of clerical work, a good deal of departmental work and a good deal of time might be involved if the question were asked—and it has not been asked—as to details of that enormous amount of money, there is no sound principle upon which there could be a refusal to furnish information of that kind.

I believe there are only two grounds on which information respecting the expenditure of public moneys can be refused by the government. One is that such information would not be in the public interest; the other, which arises in wartime, and which is probably included in the first one, is that to furnish it would afford information of value to the enemy.

It cannot be argued that the answer to the question I have asked would afford information of value to the enemy, and I do not think it can be seriously argued that it is not in the public interest for the government to give a complete accounting of the manner in which it spends the money it obtains by taxation and loans from the people of Canada. It cannot be argued that it is not in the public interest for the people's representatives in the House of Commons to know the names of the individuals who are paid money by the government, why they are paid that money, and how much each receives.

When the house passed the War Measures Act in 1914—

Mr. SPEAKER: I do not wish to interrupt the hon. member's explanation. I did wish that he should have an opportunity to speak on the question appearing under his name on the order paper. I did not expect, however, that he would develop an argument with regard to the merit of the minister's refusal. After all, that is a matter for which the minister must take the responsibility. As I have already said, I am bound by the rule under which the minister has now stated that

in the public interest he is not prepared to give that information. I am bound by the rules of the house, and I shall have to rule that question No. 2 must be dropped from the order paper.

Mr. HANSON (York-Sunbury): As I understand it, Your Honour has now ruled that question No. 2 should be dropped. I believe this matter ought to be settled, so far as we can settle anything here. Therefore I am under the obligation of respectfully appealing from Your Honour's ruling. I should like to indicate that my appeal is not intended to involve any reflection upon Your Honour, but is taken as the only means of expressing our dissatisfaction with the position taken that the information sought in this question should not be given.

Mr. GARDINER: Mr. Speaker, before the question is put may I say, as I have said on earlier occasions when this matter has been discussed, that there is no objection on my part or on the part of the government to giving the information sought, to hon. members, or, under conditions or circumstances other than those involved in the asking of this question, to a committee of the house, to the public accounts committee or to any other body set up for the purpose of obtaining such information. The objection raised is to the publication in *Hansard,* as a result of answering this question, of a list of names and the amount paid to those individuals. The reason for the objection is that requests have been made to the department for lists for collection purposes. Those lists may not have been exactly the same as these, but there have been similar lists, sometimes involving one group of people, and sometimes another. We have always objected to giving such lists. To have a question asked in the house and a list of this kind published is an indirect way of getting that information. I have stated I do not think it is in the public interest to have lists of that kind published, and therefore I have suggested that the question should not be answered.

Mr. HOMUTH: It is an expenditure of public money.

Mr. GARDINER: If the house desires to have the information with regard to those seven or eight persons, and will permit my giving it, without in any way involving the necessity of answering similar questions with regard to a long list of people from among the 186,000, I have no objection to giving it, and can give it at this time.

Mr. SPEAKER: The leader of the opposition has raised the question of appealing from the ruling of the Chair. I would point out that at the present time we are dealing, not with a point of order, but only with a question which, under the rules of the house and in view of the answer given by the minister, should be dropped. I therefore proceed to the next question. There can be no appeal against such ruling.

Mr. HANSON (York-Sunbury): Then on a question of privilege may I not appeal from the ruling?

Mr. SPEAKER: No, not even on a question of privilege.

Mr. HANSON (York-Sunbury): Then I suggest to the minister that he give us the names of these seven or eight people now, and the thing will be over with. A matter of principle is involved and the government must take the responsibility.

Mr. SPEAKER: I have pointed out already that Bourinot states that an answer to a question cannot be insisted upon if the answer be refused by a minister on the ground of the public interest, nor can the question be replaced upon the order paper after a refusal by a minister to answer, nor can the refusal of the minister to answer be raised as a question of privilege.

Mr. POULIOT: Permit me, Mr. Speaker—

Mr. SPEAKER: Question No. 2, Mr. Hazen, is dropped.

Mr. HANSON (York-Sunbury): Before it is actually dropped, I would point out that the minister has offered to give us the names. Let us have the names.

Mr. DOUGLAS (Weyburn): Did I not understand the minister to say that he is willing to give the names? The question should not be dropped if he is willing to do that. In view of the Prime Minister's statement, it is merely a matter of how the information will be given.

Mr. GARDINER: I did state that I was willing to give it now. I think probably it would be better if we agreed to the Speaker's ruling. I can give this information without prejudice and without establishing a precedent, on the orders of the day.

Mr. POULIOT: I have only one thing to point out. Bourinot has been quoted, but Doctor Beauchesne's book contains the rules of the house. When Bourinot's treatise was published, the public accounts were completed and—

Some hon. MEMBERS: Order.

Question dropped.

SOLDIERS' DEPENDENTS ALLOWANCES

Mr. COLDWELL:

1. Have any changes in policy been made recently in deciding what allowances shall be made to soldiers' dependents?

2. Are such changes based upon alleged differences in the cost-of-living indexes in localities where soldiers' dependents reside?

3. Have dependents of volunteers serving in the Canadian forces, West Indies, had their dependents' allowances reduced recently? If so, what were the former allowances? What are the new allowances, (a) to wives, (b) to children, (c) to dependents?

4. Does the government approve of drastic reductions to dependents of men who came to Canada to volunteer at their own expense?

5. If reductions in dependents' allowances are being made by the board, is it the policy of the government to pay dependents' allowances in accordance with the cost-of-living indexes of standards of living in different parts of Canada including Indian reserves?

6. Does the government consider that discrimination against certain classes of men serving in the armed forces would be conducive to the morale of our people, or beneficial to our war effort?

Mr. RALSTON: I spoke to the hon. member for Rosetown-Biggar about this question, and I think in view of the statement I made yesterday with regard to this matter of dependents' allowances the hon. member is willing that the question be dropped.

Mr. COLDWELL: I am agreeable to the question being dropped. The minister answered it in committee yesterday.

Question dropped.

CANADIAN REPRESENTATION IN THE UNITED STATES

Mr. BRUCE:

1. Have arrangements been made to have Canada represented on the munitions assignments board at Washington?

2. If so, who will represent Canada?

3. Did the Prime Minister while in Washington make arrangements for improvement of Canadian war information facilities in the United States?

4. Have any changes been made in respect to the duties and personnel of the Canadian legation at Washington?

Mr. MACKENZIE KING:

1 and 2. Arrangements to this end are in progress.

3. This matter was taken up by the Prime Minister during his recent visit to Washington and is continuing to receive attention.

4. No.

CATTLE

Mr. ROSS (Calgary East):

1. What was the total number of cattle (a) in Canada, (b) in Alberta on the 1st April in each of the last ten years?

2. What was the amount of beef in store in Canada on the same date in each of the last ten years?

3. What was the total number of cattle exported from Canada (a) to the United States, (b) to countries other than the United States in each of the last ten years?

4. What number of cattle were marketed in Alberta in each of the last ten years?

5. What number of the cattle marketed in Alberta in each of the last ten years were beef cattle?

6. What was the total tonnage of beef cattle marketed in Canada in each of the last ten years?

Mr. McLARTY:

1. The total number of cattle on farms in Canada and Alberta at June 1, 1932* to 1941, inclusive, was as follows:

	(a) Alberta	(b) Canada
1932	1,223,600	8,529,700
1933	1,471,800	8,916,500
1934	1,570,200	9,011,500
1935	1,604,200	8,896,900
1936	1,554,100	8,840,600
1937	1,457,300	8,840,500
1938	1,361,600	8,511,200
1939	1,337,400	8,474,600
1940	1,365,900	8,565,400
1941	1,458,000	8,797,800

*Figures not available for April 1.

2. The amount of beef in store in Canada at April 1, 1932 to 1942, was as follows:

	Pounds
1932	9,088,000
1933	8,683,000
1934	9,810,000
1935	14,907,000
1936	16,659,000
1937	15,694,000
1938	17,339,000
1939	14,480,000
1940	25,630,000
1941	16,508,000
1942	21,894,000†

†Preliminary.

3. Exports of cattle to United States and other countries during the calendar years 1932 to 1941:

	United States	Other countries
Year	No.	No.
1932	12,865	20,420
1933	5,734	54,400
1934	6,567	58,408
1935	123,501	10,857
1936	241,689	43,725
1937	306,958	14,802
1938	146,745	32,479
1939	284,463	8,962
1940	229,514	4,267
1941	250,573	3,554

4. The total number of cattle marketed in Alberta, 1932 to 1941 was as follows:

	Numbers
1932	106,923
1933	134,272
1934	183,519
1935	257,782
1936	363,811
1937	311,506
1938	264,505
1939	248,748
1940	257,823
1941	292,083

5. No information available.

6. The total dressed weight of beeves and calves slaughtered in the slaughtering and meat-packing industries in Canada, 1931 to 1940 was as follows:

	Beeves lbs.	Calves lbs.
1931	338,545,602	42,918,685
1932	311,364,225	42,710,417
1933	338,167,377	48,981,963
1934	403,349,183	61,977,659
1935	411,399,566	67,564,599
1936	460,178,824	73,432,349
1937	457,544,311	86,532,559
1938	443,727,104	75,605,017
1939	450,550,155	77,713,251
1940	454,110,866	80,999,915

EMPIRE WAR CABINET

Mr. CHURCH:

1. Did Canada object to the government of Great Britain creating an empire war cabinet as in the last war?

2. What stand did Canada take in the matter?

Mr. MACKENZIE KING: The question as to the advisability of creating an imperial war cabinet has, at different times, been a subject of consideration and consultation between the governments of the several nations of the commonwealth. No formal proposal was made by the government of Great Britain.

The Canadian government expressed the view that the methods of consultation which have come into existence since the last war were more effective as a means of reaching conclusions and decisions as between the several governments of the commonwealth than those afforded by an imperial war cabinet would be. It was also represented that under war conditions it was inadvisable for the prime ministers of the several dominions to be absent from their own countries for any length of time.

[Mr. McLarty.]

CANADIANS INTERNED IN EIRE

Mr. CHURCH:

1. How many Canadians of His Majesty's forces are now interned in Eire, and for what reason?

2. Have any representations been made to the government in Dublin for the release of them, and what is the reason for their internment?

3. Do we still retain a minister in Eire?

4. If so, for what object and purpose, at what cost and who are the personnel of this office?

5. What action will be taken regarding the internment of Flying Officer Jack Calder of the Royal Canadian Air Force?

6. Will any steps be taken to secure his release and the release of all other Canadians so interned in Eire?

7. Have any representations been made with reference to the use of the Eire bases by the government or her allies, on behalf of Canada?

8. If so, what are they?

Mr. MACKENZIE KING:

1. There are nine Canadian airmen interned in Eire. Two of these are members of the Royal Air Force and seven are members of the Royal Canadian Air Force. The government of Eire in accordance with their policy of neutrality have followed the practice of interning any members of the armed forces of the belligerent countries on either side who, while engaged in operations, have landed in Eire.

2. Beyond the answer to No. 1, it is not considered advisable that a statement should be made at the present time.

3. Canada is represented in Dublin by a High Commissioner.

4. The function of the Canadian High Commissioner is to represent the Canadian government and to conduct negotiations with the government of Eire. The cost of maintaining the office of the High Commissioner for Canada in Dublin for the year 1941-42 was approximately $24,000.00. Mr. John D. Kearney is High Commissioner. The following is the personnel of the High Commissioner's office: secretary, office of the High Commissioner, Mr. E. J. Garland; stenographer, Miss E. O'Malley; clerk-messenger, Mr. P. Beirne; janitor, Mr. W. Murray.

5. Answered by No. 2.

6. Answered by No. 2.

7. It is not deemed in the public interest to give any information at the present time with respect to representations made or not made on behalf of Canada concerning bases in Eire.

8. Answered by No. 7.

WORKERS' REGISTRATION FORMS

Mr. NOSEWORTHY:

1. Have employers the approval of the government for using mimeographed copies in lieu of official registration forms for workers?

2. Has the government any means of ascertaining whether the information given by workers on mimeographed forms is correctly transferred to official forms forwarded to the department?

3. Has the government considered the extent to which the practice of using these mimeographed forms may lead to abuses?

Mr. MITCHELL:

1. Under order in council 1955 of March 13, 1942, the employer is responsible for the registration of his employees on forms provided by the unemployment insurance commission. The method of obtaining the required information from employees is left to the employer.

2. The information given by the employer must agree with the pay-roll and the unemployment insurance commission has developed a system of inspection to check the pay-rolls and the accuracy of the official registration forms.

3. Penalties are provided for non-compliance with the regulations of the unemployment insurance commission, and any information given on the registration forms will be subject to the close scrutiny of the insurance inspectors.

RENFREW COUNTY DOLOMITE DEPOSITS

Mr. NOSEWORTHY:

1. On what date, or dates, did Mr. Robert Jowsey and Mr. Walter Sedgsworth carry on and finally consummate their arrangements to develop the Renfrew county dolomite deposits under the sponsorship of the government?

2. What cash investment, if any, have the directors of Wartime Metals, Limited, in this particular company (Wartime Metals Limited)?

3. What salary, if any, do they receive for their services?

4. In what manner, or proportion are the shares of Wartime Metals Limited, distributed?

5. What is the name of the government official, or officials, who negotiated with Messrs. Jowsey and Sedgsworth, in respect to the government's investment in the development and processing of the dolomite deposits in Renfrew county.

Mr. HOWE:

1. The "Go-Ahead" letter authorizing Dominion Magnesium Limited to proceed with the construction of the initial plant of the Dominion Magnesium Limited project in Renfrew county is dated January 13, 1942, and was addressed to Dominion Magnesium Limited and signed by the deputy minister, Department of Munitions and Supply. Prior to this, several conversations took place, the first official interview being between Mr. Robert Jowsey, President of Dominion Magnesium Limited, and the Minister of Munitions and Supply, on November 1, 1941.

2. The directors of Wartime Metals Corporation have no cash investment in this corporation.

3. None.

4. Wartime Metals Corporation is a wholly-owned government company. It is incorporated under Part II of Dominion Companies Act and does not have shares.

5. Mr. G. C. Bateman, Metals Controller.

JAPANESE NATIONALS IN BRITISH COLUMBIA

Mr. REID:

Is it the intention of the government to remove all Japanese in the coastal areas of British Columbia to east of the Cascade mountains?

Mr. MITCHELL: Confirming statement already made on Thursday last which appears in *Hansard* page 1866 and in reply to the hon. member's question, the movement of Japanese from the coastal area in British dian Red Cross society or to the International

The responsibility for working out the details has been placed with the British Columbia security commission and already over two thousand males have been placed in work camps in the interior of British Columbia and on the trans-Canada highway in Ontario. The movement of 500 families to Alberta for cultivation of sugar beets and the same number to Manitoba is well in hand and within a very short time the transfer of these 1,000 families or approximately 6,000 individuals will have been completed.

Buildings in four abandoned mining towns in the interior of British Columbia are being repaired and made ready for the housing of women and children and just as soon as the repairs are completed a large group of women and children will be sent to these locations.

The movement of all Japanese from Vancouver island and from the vicinity of harbours and other especially vulnerable points has been completed.

It is the intention of the government, as stated on Thursday last, to proceed with the movement rapidly and I believe it can fairly be said that very satisfactory progress has been made and the problem is well on the way to solution.

LORETTEVILLE, QUE., AIRPORT

Mr. ROY:

1. Did the government purchase land since 1938 for an airport at Loretteville, Quebec?

2. If so, (a) what land was purchased, (b) what are the names and addresses of persons from whom this land was purchased, (c) how much was paid to each person for such land and when were payments made?

Mr. HOWE:

1. Yes.

2. Acquisition of land for Lorette airfield, Quebec:

	Lot. Cad. Nos.	Name	Area Arps.	Date cheque left Dept.	Amount paid
	414	David Bedard	84·9	29/ 6/40	$8,000
Pt.	415	Honore Falardeau	13½	"	1,200
"	415	Mrs. Frs. Nolin	13½	"	1,000
"	415 and 416, and all Lot 417.	Octave Paquet	30	20/ 3/41	3,500
"	416	Aurele Robitaille	28·8	6/ 8/40	3,000
	418	Joseph Pierre Gauvin	10·63	18/ 8/41	1,200
	419	Simeon Robitaille	23·75	6/ 8/40	3,500
	420 and Pt. Lot 421	Joseph Hamel	35·08	11/ 3/42	4,000
Pt.	421	C. A. Boiteau	4	11/ 7/40	440
"	422	Ernest Hamel	57·75	3/ 7/40	5,500
"	422	Patrice Hamel	29	6/ 8/40	3,000
"	423	Adolphe Drolet	5·85	3/ 7/40	475
"	423, Lot 425 and 426	Victor Bedard	27·55	11/ 7/40	1,200
"	424	Cyprien Drolet	8½	11/ 7/40	800
"	424	Joseph Drolet	8½	3/ 7/40	700
"	424	Chas. Auguste Drolet	8½	11/ 7/40	700
	427	Henry Hamel	15	11/ 7/40	800
	428	Joseph W. Robitaille	13·25	18/ 8/41	1,320
	429	Jos. M. Gauvin	28·8	29/ 6/40	2,000
	430	Jos. Bureau	14·42	3/ 7/40	1,000
	431	Edmond Tessier	7·2	11/ 7/40	700
	432 and 433	Chas. J. Gauvin	15·89	3/ 7/40	1,150
	434	Napoleon Matte	80·8	6/ 8/40	8,000
	435	Wilfrid Hamel	41·2	3/ 7/40	3,000
	436	Wilbrod Milhomme	6·6	18/12/40	650
	437	Adelard Gauvin	39·62	*	4,000
	438	Adjutor Roy	41·78	3/ 7/40	3,700
	439	Mrs. O. D. Laflamme	62·15	3/ 7/40	5,500
	440	Alexander Tessier	56·68	29/ 6/40	5,500
	441	Delphis Bedard	51·39	6/ 8/40	5,000
Pt.	442	Albert Methot	27·24	29/ 6/40	2,650
"	442	Wilfrid Gingras	27·24	29/ 6/40	2,000
	443	Ovile Paradis	12	11/ 7/40	1,150
	444	Lucien Voyer	60·4	6/ 8/40	7,000
	445 and 446	Paul Emile Voyer	28·16	"	3,400
	447 and Pt. 451	Wilfred Matte	45·30	*	4,000
	448	Dr. Theophile Robitaille	43·52	18/ 8/41	5,500
Pt.	449	Alfred Drolet	53·57	29/ 6/40	5,000
"	449	Gerard Paquette	53·57	29/ 6/40	5,300
	450	Leo Moisan	48·16	6/ 8/40	3,000
	451	Mrs. Lud. Dorion	9·75	"	635
	452	Leon Gauvin	13	3/ 7/40	1,150
Pt.	453	Mme Adjutor Villeneuve	39·6	3/ 7/40	2,800
"	453	Octave Gauvin	6½	3/ 7/40	450

*Settlements with Adelard Gauvin for Lot 437 and Wilfred Matte for Lot 447 and part of Lot 451 have not been made, as the department has not been requested by the Department of Justice, which handles legal matters connected with such transfers, to furnish the cheques in question.

PRISONERS OF WAR IN JAPAN

Mr. CHURCH:

1. What arrangements have been made by the government to insure that Canadian prisoners of war now in Japanese hands will receive the services of the Red Cross and the protection of a neutral power?

2. What is the number of Canadian prisoners now in Japan, upon what work are they engaged, and what medical services are given them in the way of hospitalization, food or other rations?

Mr. MACKENZIE KING: 1. It is not clear whether the first question refers to the Canadian Red Cross society or to the International Red Cross committee.

The Canadian government have been in frequent touch with the International Red Cross committee at Geneva which have instructed their delegate in Japan to do everything possible to secure information about Canadians, and, whether civilians or combatants, to assist Canadians in Japanese hands. The committee has already transmitted a report on conditions in an internment camp for civilians in Japan and has transmitted some communications concerning Canadians in Japan and Shanghai where the Japanese government is in control.

Up to the present the International Red Cross delegate in Japan has not been able to transmit any communications to or to receive information about Canadian nationals, whether prisoners of war, interned civilians, or others, in territories such as Hong Kong where the Japanese military authorities are in control.

Both the delegate of the International Red Cross committee and the representative of the protecting power for Canadian interests in Japan have transmitted lists of Canadian nationals interned there. Next of kin of all persons on these lists have been informed and the list was published in the press several weeks ago.

The Canadian Red Cross Society has already provided food parcels for British and Canadian prisoners of war in Germany. Arrangements are being made to extend this service to Hong Kong and also to provide clothing, medical supplies and other necessities for prisoners of war and civilian internees in the Hong Kong area, as soon as it may become possible to send them forward. These arrangements involve correspondence between the various governments and National Red Cross Societies concerned, and negotiations through the protecting power and International Red Cross committee. As they have not yet been completed, it is not thought advisable that information about them should be made public at this stage.

2. So far as is known there are no Canadian prisoners of war in Japan. There appear to be about 70 Canadian civilians interned there but they are not classed as prisoners of war. Information so far received appears to indicate that the interned civilians are being employed only on work in connection with the maintenance of the camps. No official reports have been received about Canadian prisoners of war in Hong Kong. The Minister of National Defence has given to parliament statistics of the members of the Canadian forces who were in Hong Kong before the Japanese invasion and of a report which had been received on the number of casualties. Information received from diverse scources appears to indicate that there are about 2,000 Canadians including members of the armed forces and civilians interned in Hong Kong and Kowloon by the Japanese. It does not appear that any of the Canadians detained by the Japanese in Hong Kong and Kowloon are being employed by the Japanese although it may be assumed that they are doing work about their camps. No definite information is available on medical services and hospitalization, although reports received from various sources would indicate that medical services and hospitalization are inadequate. No information is available from official sources on food rations being supplied but information from China which has reached the government indicates that the food situation is unsatisfactory, the staple diet provided the prisoners being soup and rice. It is reported that some additional food supplies can be purchased by prisoners and internees but no information as to the amounts or kinds is as yet available.

QUESTIONS PASSED AS ORDERS FOR RETURNS

PRICE CEILING—SUBSIDIES

Mr. HAZEN:

1. On what goods and materials, domestic and imported, are subsidies now being paid?

2. What subsidy is paid on each kind of goods and materials?

3. How much has been paid to date on each kind of goods and materials?

PRICE CEILING—BEEF

Mr. CHURCH:

1. Has the government any statement to make to the house on the beef situation?

2. Have complaints been received that the price ceilings have been exceeded?

3. If so, what action will be taken?

4. Have any subsidies or bonuses been paid? If so, to whom?

5. Do speeches made by the chairman of the wartime prices and trade board herein, and orders made by the board represent government policy?

6. Were the orders and speeches first approved by the government?

Mr. ILSLEY: As this question involves more than one department it should be made an order for return, subject to the latter part of clause 4 being dropped, for the reasons mentioned in connection with question No. 3.

SOLDIERS' DEPENDENTS—COST OF LIVING BONUS

Mr. CHURCH:

1. Will the government reconsider the whole question of paying a high cost of living bonus to dependents of his majesty's forces?

2. What boards have been set up in each military district to give effect to the veterans' assistance regulations adopted last November?

3. What amount of money has been paid out at Toronto, military district No. 2, for such work, how many have applied, how much has been paid out and to what number of dependents?

Mr. McLARTY: Return tabled.

TEMPORARY BUILDINGS ERECTED SINCE OUTBREAK OF WAR

Mr. ESLING:

1. Since the outbreak of war how many temporary buildings have been erected by the government for war purposes?

2. Where are such buildings located and how are they designated?

3. What was the cost of each building?

4. What temporary buildings are now under construction and what is the estimated cost of each?

Mr. RALSTON: I should like to speak to the hon. member about this. I really do not think the hon. member intended to ask the question as it now stands. The first clause reads, "Since the outbreak of the war how many temporary buildings have been erected by the government for war purposes?" I rather think that what the hon. member had in mind was temporary buildings erected for administrative purposes. To answer the question as it now stands would mean the taking of a census of all the buildings erected in camps all over the country. There are at least sixty training centres in connection with the army and I imagine there must be 125 establishments of the Royal Canadian Air Force.

Mr. HANSON (York-Sunbury): I think the hon. member meant to limit it to Ottawa.

Mr. RALSTON: Administrative buildings, I should think.

Mr. HANSON (York-Sunbury): I imagine so.

Mr. RALSTON: It will be noted that this question is being passed as an order for return, subject to the amendment that it applies only to administrative buildings in Ottawa.

PLEBISCITE—PERCENTAGE OF ELIGIBLE ELECTORS VOTING

Mr. FRASER (Peterborough West):

1. How many names were on the lists of people eligible to vote on the plebiscite?

2. How many of these people voted on the plebiscite?

PLEBISCITE—COSTS

Mr. FRASER (Peterborough West):

1. What was the total cost of the plebiscite?

2. What was the cost of the radio broadcasts on the plebiscite for. (a) chains, (b) individual stations?

3. How much did J. H. Fitzgerald and his firm receive for their work on the plebiscite?

4. What was the cost of the printing in connection with the plebiscite?

5. How much did the work done by the Department of National War Services through the information bureau on the plebiscite cost?

6. What are the names of all persons employed by the national plebiscite commission?

7. How much did each receive in, (a) salary, (b) expenses, (c) travelling expenses?

MOTIONS FOR PAPERS

COMMODITY PRICES STABILIZATION CORPORATION

Mr. CHURCH:

For a return showing—1. A list of the price ceiling subsidies issued, the estimated amount of same and on what articles, or in what trade and commerce.

2. A list of the members of the Commodity Prices Stabilization Corporation, a list of their chief officers, servants and agents, showing where they are located, the number thereof, together with their salaries and other allowances.

3. Estimated cost of one year of maintaining the ceiling prices staff herein, and the aggregate number of officials and total payroll.

4. The estimated cost per annum of the operation of this corporation.

5. The walks of business life that are not yet supervised or directed by any departments of state.

6. What training the members of this corporation and their chief officials have had in actual trade or commerce, or in a competitive business.

7. What minister of the crown is responsible to parliament for the work of this corporation.

Mr. ILSLEY: I do not think that there is any objection to this provided that the request for a list of the price ceiling subsidies issued is interpreted as meaning a list of the articles or classes of articles upon which subsidies are paid rather than a list of the names of the recipients. Subject to that, I think it is in order.

Mr. CHURCH: I rise to a point of order. I should like to direct the attention of the Chair to the authorities which I quoted in the house on this very matter on March 26, 1942, as reported on page 1807 of *Hansard*. Some of our rules apply to this question, but there is a summary rule which says that where our rules do not apply, we are bound by the rules and regulations of the British parliament on questions and motions for papers. I will read the authority. It is only about ten lines.

Mr. SPEAKER: I understand that the minister is agreeable to the order passing subject to the interpretation he has given.

Mr. CHURCH: I do not want any amendment made, and I have the authorities to support my contention. The rules of the British parliament bind this house because the last clause of our rules provides that where they are not specific with regard to a point, the rules and regulations of the British parliament shall apply. Here is the authority; it is only ten lines in length.

Some hon. MEMBERS: Order.

Mr. CHURCH: I read the following:

> Not later than three o'clock the question hour begins. This is a more important item of business than any yet described. It is expected to provide lively moments and seems to be of unfailing interest to members and the public. It is modern and affords a useful method of supervising the administration of the government. Its effectiveness is generally recognized. Questions "turn a searchlight upon every corner of the public service." (Lowell, i. 332.) Their chief object is "the explanation to the public of the meaning of political events," and "they are often arranged by the government itself, so as to give them an opportunity of making announcements in a somewhat informal way."

We are entitled to this information as asked.

Some hon. MEMBERS: Order.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion?

Mr. CHURCH: I rise to a point of order, Mr. Speaker. I do not accept the amendment and I ask for a statement of the authorities on the point. We are not here to play. I have raised an important principle, the control of expenditures under the minister, because the minister is responsible for this board. I ask for your ruling on the point of order. I do not accept the amendment.

Mr. SPEAKER: Order. The motion is not debatable. It has been placed before the house and has been carried.

MOBILIZATION OF INDIANS

Mr. POULIOT:

For a copy of the legal opinions given to the Department of National War Services relative to the mobilization of Indians.

VULCAN, ALTA., LEGION BUILDING

Mr. HANSELL:

For a copy of all letters, telegrams, agreements and other documents exchanged between the government or any department thereof, and any person or persons in respect to the renting of space in the Canadian Legion building at Vulcan, Alberta.

GOVERNOR GENERAL'S WARRANTS

Mr. McGREGOR:

For a copy of all governor general's warrants issued since the 31st of March, 1941.

1941 VICTORY LOAN

Mr. CHURCH:

For a return showing—1. How much of the 1941 victory loan is general savings, and how much is bank and insurance companies created credit.

2. The ratio of the total amount raised, subscribed by, (a) banks, insurance and other companies, (b) private individuals.

3. The details of a breakdown of the 1941 victory loan.

Mr. ILSLEY: Mr. Speaker, I would ask that this motion stand, and I would suggest to the hon. member that he redraft it because it is ambiguous as it stands and I would not know how to comply with an order for a return if it passed.

Question 1 asks how much of the 1941 victory loan is general savings. There is no way of telling what proportion is general savings. It occurred to me that the hon. member may have meant genuine savings, rather than general, but even that would be hard to answer. The latter half of this question is also difficult to understand unless it means how much of the loan was purchased by banks and insurance companies. If that is what is meant, this information was given in answer to a question by the hon. member for Battle River (Mr. Fair) which appears at page 4463 of *Hansard* of 1941-42. If the hon. member refers to bonds financed on the official instalment plan or by loans from chartered banks, this information was also given in reply to the question asked by the hon. member for Battle River.

Question 2 has already been answered, the information having been given in reply to the question by the member for Battle River.

Question 3 should be more specific. The word "breakdown" may refer to provinces.

In its present form it would be impossible to decide what information was desired, and so I suggest that the hon. member read what I have said about his motion, redraft it and put it on the order paper again. In the meantime I ask that it stand.

Motion stands.

WAR EXPENDITURES

APPOINTMENT OF SPECIAL COMMITTEE

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That a select committee be appointed to examine the expenditure defrayed out of moneys provided by parliament for the defence services, and for other services directly connected with the war, and to report what, if any, economies consistent with the execution of the policy decided by the government may be effected therein, and that notwithstanding standing order 65 the committee shall consist of twenty-four members, as follows: Messrs. Abbott, Bercovitch, Black (Cumberland), Boucher, Bradette, Chevrier, Cleaver, Douglas (Weyburn), Fournier (Hull), Gladstone, Golding, Graham, Harris (Danforth), Homuth, Johnston (Bow River), Macdonald (Halifax), Mayhew, McIlraith, Picard, Pottier, Reid, Ross (Moose Jaw), Sissons, Winkler, with power to send for persons, papers and records; to examine witnesses and to report from time to time to the house.

He said: Mr. Speaker, this resolution is identical with the one which I moved a year ago, and is similar in all particulars to the resolution with respect to war expenditures which was adopted at Westminster, and which has been the basis of any inquiries which have been made with regard to war expenditures in Great Britain. The only change in this resolution from the previous one is that the name of Mr. Boucher is substituted for that of Mr. Diefenbaker, and that of Mr. Homuth for Mr. Green, and Mr. Winkler for Mr. Thorson.

The committee appointed last year made several reports to the house during the last session. At one time I thought of including in this resolution some of the additional powers which were given to last year's committee in accordance with its requests from time to time, but upon reflection it seemed preferable to introduce the resolution exactly as it was introduced a year ago. No doubt the committee at its first meeting will ask the house to renew the additional powers given to it last year.

When I introduced the original resolution I made a comprehensive survey of British procedure, cited numerous British precedents, and generally sought to give to the house an expression of the British attitude in dealing with this all-important matter of public expenditures relating to the war. I do not intend to-day to repeat what I said at that time. There is no necessity for doing so, because it appears on *Hansard*.

I should like on behalf of the government to take this opportunity to thank members of all parties who served on the committee last year for the sustained and devoted labour given piece-meal without doing a great deal

I have no doubt that the members who are to be on the committee this year will find through membership on the committee as did the members last year an opportunity for service of the highest character to the country at this particular time.

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, I have no doubt that the members of the war expenditures committee will have a very ungrateful task before them. Its work will be tremendous if the committee goes into all expenditures by war departments.

There is one thing I do not understand. It is that the public accounts committee has been nominated each year for the last eleven years, and yet has not sat in all that time. I do not see the use of appointing a public accounts committee that does not sit. I would point out that during the last war in particular all these matters of war expenditures were studied by the public accounts committee, and its reports were made public.

If we are to follow the Westminster practice, I do not see why we should not have a committee on national economy to study items of expenditure in the war departments as well as in the others. There is a great difference between our new system and that at Westminster and also the system in the United States congress. At Westminster they have complete public accounts, and at Washington the estimates, which they call the budget, are given in a book as large as the telephone directory of the city of New York. Here we give much simpler information, and I wonder whether the public accounts commiteee will be called to do something with regard to public expenditures.

Hon. R. B. HANSON (Leader of the Opposition): There are two observations I desire to make in respect of this motion for the setting up of this committee. The first is that the proceedings of the committee should be published on every occasion and be open to the public and the press. The second is that there should be no limitation or restriction of the power of the committee to investigate any and every contract which it might wish to investigate.

Mr. KARL K. HOMUTH (Waterloo South): I have been named on this committee to replace the hon. member for Vancouver South (Mr. Green). I am quite willing to accept that responsibility because I consider that this committee can do good work; but I accept the responsibility as a member of the committee from the point of view not so much of trying to find out whether we are getting No. 2 apples for No. 1, or whether we are getting

cow beef for the beef specified in the contract, but in the belief that if the committee is going to deal with the idea of Canada going into an all-out war effort, we must realize that there are a great many industries in the country which to-day are producing nothing in the way of war materials. They are not producing these materials because in the early part of the war the government paid for the tooling up of certain industries to produce certain commodities which we needed. To-day we let our contracts by tender, and we do so because we think it is the proper thing to do. The industries that were tooled up are able now to underbid industries that never made any of those products, with the result that the industries originally making these products are crowded with orders and it is impossible to produce the amount they ought to turn out, whereas a good many non-essential industries which to-day ought to be doing the same thing are not doing it because the government or the departments—and I find no fault—feel that it would be wrong for them not to ask for tenders, and that they must accept the lowest tenders. I suggest that in view of the vote on Monday, in view of the fact that to-day we are engaged in an all-out war effort, we must make up our minds. It is not a question of the cost of one or two cents on a unit that costs $2.50 or $4 or $5. It is a question of putting all the effort of our man-power and every machine into the war work in which we are engaged. I am one of those who are not prepared to find fault with the government if they say to industry, "It is going to cost a little more to produce things in your industry than the cost of the lowest tender, but we have to get the goods we need."

Our idea in studying these matters in the committee is not that of trying to uncover scandal or some things that might hurt the government, because I am not interested in that, much as I should like to see them out of office. I am concerned with the war effort, and I feel that the committee could do better work—I am not saying this to belittle what was done in the past—by trying to work with the Minister of Munitions and Supply (Mr. Howe) and other ministers of the government in an endeavour to put the whole industrial force of the country behind the war effort, instead of going ahead as we are doing today, perhaps giving some industries far more business than they can handle, while other industries which are more or less non-essential are not doing any job for the war. It is with that proviso that I accept the responsibility as a member of this committee.

Mr. M. J. COLDWELL (Rosetown-Biggar): As a member of last year's committee during the latter part of the year, I think that in spite of the limitations under which they laboured they did a good job. In the fields which they examined they went into the matter quite thoroughly and, I think, presented to this house something of a comprehensive report on the subjects into which they had inquired. In that regard, I say, they did a good job. But I rise primarily in order to ask the Prime Minister (Mr. Mackenzie King) to interpret to the house the order of reference in this particular resolution.

Last year, I remember, there was some discussion as to what the powers of the committee really were, and it was contended that we were to inquire into defence services and to report what, if any, economies, consistent with the execution of the policy decided by the government, might be effected therein and that, therefore, we were limited in certain respects by the order of reference. It seems to me that if this committee is going to be useful this year, it should go into the much wider and more important field of the department which is providing the supplies for the defence departments. I refer particularly to the Department of Munitions and Supply.

If this order of reference is sufficient to enable the committee to deal adequately with all matters which they may wish to examine in connection with the operations of the Department of Munitions and Supply, then I am satisfied with the order; if on the other hand the committee is to be narrowed down to the recommendation of economies which may be effected in relation to the three defence services, then I contend that this committee is not going to do the job which really must be done this year. I feel that we have reached the stage in Canada, where, without endeavouring only to uncover scandals or anything of that sort, we ought to look into the operations of the department which is making large expenditures in relation to the provision of supplies for the army, the navy, the air force and in other fields.

I am—and I state it quite frankly—alarmed at the state of things in this country. Since the war broke out we have seen powerful industrialists, and those who serve powerful industrialists and monopolies, placed in key positions in connection with the purchase of supplies and the control of the economic side of our war effort. I do not believe that is wise or good. I do not believe it is wise, because it undermines the confidence of the great masses of the people in what is being done in this country. I have heard it stated over and over again by people of quite moderate views,

not extremists by any means, that when they look at the names of the people who surround the Minister of Munitions and Supply (Mr. Howe) they wonder whether the Canadian Manufacturers' Association and all their friends are not assembled in that department. I think I said in the house during the debate on the address that in my opinion this was dangerous to the country; that if our war effort is to be properly and effectively controlled in a manner that will command and retain the confidence of the Canadian people, then much wider representation should be given in the control of these economic organizations. I am thoroughly of opinion that this war expenditures committee this year—without any reflection whatsoever on the minister or those employed in the department—ought thoroughly to investigate the operations of that department. I think it is our obligation to do this.

I quoted a little while ago from Durell's "Parliamentary Grants," and one of the most interesting sections in that authoritative volume deals with grants made by parliament in wartime. It deals with the experiences of the British in the South African war, and deals particularly with their experiences during the great war. The book itself is dedicated to the Right Hon. David Lloyd George, and much of it was written during the last great war. It points out that it is the duty of the civil authority to examine very carefully all expenditures made in connection with the operation of war. It says, and rightly, that war is an extravagant business, a wasteful business, even if it is a necessary business; that during wartime the normal peace controls must be removed; that decisions have to be made quickly, some of them involving perhaps certain expenditures which are necessary but which turn out later on to be extravagances; that it is more essential in wartime than in peacetime that every detail of public expenditure should be thoroughly scrutinized.

I have been following with some degree of interest the work of the committee in the United States. I do not know what the condition is in our own country in regard to the power of some of these great organizations which are so well represented in the Department of Munitions and Supply. But I have read of the attitude of the Standard Oil company, of the situation created by the steel corporation, the aluminum company, the great corporations of the United States and so forth. I think it is the duty of this House of Commons to make sure that nothing of that kind has happened or is happening here. That ought to be one of the duties of a committee of this kind. Its scope should not be narrowed down as some of us understood it was last year.

Mr. THORSON: There was no restriction whatsoever upon the scope of the committee's work.

Mr. COLDWELL: I would say to the minister, who was chairman of the committee last year, that quite often it was said it was not the business of our sub-committee to go into the Department of Munitions and Supply and particular contracts.

Mr. THORSON: There was an inquiry into the Department of Munitions and Supply, and it was indicated later on that there would be the fullest opportunity of making any inquiry that the committee might wish to make into the operations of that department. There was no restriction last year; there will be no restriction this year.

Mr. COLDWELL: I am glad to know there will be no restriction this year. I know of no investigation being made into that department last year, although I think the members of the committee were all agreed that when the committee sat again that should be its principal job. I am urging that if there is any doubt as to the meaning of this order of reference it should be clarified, so that we may have a clear understanding that the committee this year may devote the major portion of its time to a study of the Department of Munitions and Supply.

The hon. member for Témiscouata (Mr. Pouliot) raised the question of the public accounts committee. That is a peace-time organization. That committee should be sitting all the time to examine our normal peacetime expenditures. The committee which it is now proposed to set up is a special war committee to examine expenditures in connection with the war. Of course I recognize immediately that there are certain questions regarding the provision of supplies for the army, such, for example, as the number of guns, number of tanks, number of aeroplanes, the places where they are, the cost of them and so on, that, if answered openly in this house, might give information of value to the enemy. But it seems to me that there is no reason in the world why a committee of this house should not go quite thoroughly into the matter of expenditures for the provision of equipment.

I am therefore in support of this resolution. But I urge that this year there shall be no doubt as to what the committee is going to do —I will put it that way—that instead of dividing the committee into three subcommittees to look into three parts of the war services,

the committee make it its main business, its entire business if you will, this session, to look into the expenditures and operations of the Department of Munitions and Supply and the contracts that hon. members would wish to examine that have been and are being let by that department. At the same time I suggest that the committee think over carefully the large expenditures that have been made by this government and with the British government in their establishment of government-owned industries in this country, so that we may understand how they are controlled and what the implications of those controls may be for the future; for there is vividly in my mind a recollection of a suggestion made that even during the process of this war a committee of business men might examine those organizations and might recommend how they shall be salvaged when the war ends. I think it is the duty of this parliament to see, not how these new industries and new plants can be salvaged after the war but how they may be utilized for the good of the Canadian people when the time comes; and that meantime this country should be protected against those who consciously or unconsciously on account of their economic interests are anxious to see that their interests rather than the interests of the great masses of the people of this country are protected.

Mr. E. G. HANSELL (Macleod): In rising to speak to this motion, having been a member of the committee that sat last year I should like to make a few remarks and perhaps a few suggestions for the consideration of hon. members who will comprise the committee this coming year.

I must say I was a little surprised at the remarks of the hon. member for Rosetown-Biggar (Mr. Coldwell) with respect to restrictions on the work of this committee. I well remember my first experience with this committee, when I asked definitely as to the scope of its work. I recognized that all war expenditures were not mentioned in the little stereotyped programme that was handed to us, and I asked the chairman of the committee, the present Minister of National War Services (Mr. Thorson), whether or not we had a right to investigate all war expenditures. I used this illustration: "I do not notice ships mentioned in this little programme. Have we the right to investigate the money that has been spent in the construction of ships?" The minister replied, "Yes, we have the right to go into any war expenditures."

Even at that, the point is not that we do not have the right to go into any sort of war expenditures whatever. The point is that we do not have time to go into these matters. For instance, this committee has not met, I think, during the last nine months. It was not set up until late in the session; after the session was concluded it adjourned for a couple of weeks, then came back and sat for five or perhaps six weeks. Then it adjourned again and nothing has been done until now. As a result, though the committee was divided into three subcommittees, I am sure all those who served on the committee will agree that we only began to touch the mere fringe of war expenditures in this country. The subcommittee on which I served had the opportunity to investigate expenditures in respect to the medical services of the various branches of the Department of National Defence. Well, I am sure we only touched the fringe of that subject. We had the right to investigate expenditures in relation to salvage. We did not even get into that question. We had the right to investigate expenditures in respect to gasoline and oil, but we did not even get into that matter. If this committee is to be of any value at all to this house and the country, if it is to accomplish that which it should be designed to accomplish, it will have to work hard and long, and will have to remain in session almost three hundred and sixty-five days in the year.

In dealing with the work of this committee, Mr. Speaker, and also with the work of the committee that is about to be set up, I wish to say a word in respect to secret sessions, or sessions held in camera. It seems to me that this sort of thing is becoming more or less a joke. We speak of sitting behind closed doors, but we might just as well throw the doors wide open and let the public in. If we have any objection to letting the public in, however, I suggest that we might just as well let the press in. I am sure the representatives of the press would play ball with us. If there should be a little bit of evidence of such a nature that we could not possibly let it go out, I am confident those men would say, "All right; that is off the record, and we will not print it". Some of us regarded these sessions as being secret, only to find after a few days, a few weeks or a month or two that information coming from some source appeared in the newspapers and periodicals of this country in bold type. I have here a clipping which I took from a newspaper. You cannot read it, Mr. Speaker, but you can see that it includes several columns, and it contains a report of the work of this committee. I do not know how that got out, when the committee was supposed to be sitting behind closed doors. I might mention another occasion, when none

other than Air Commodore R. W. Ryan, who was director of the Royal Canadian Air Force medical services, was on the stand. That afternoon the press were excluded, and I recall that Air Commodore Ryan said, "Now, I am giving you something that is absolutely confidential". I need not mention what it was, but we regarded it as confidential and treated it as such. The committee concluded its work in August, I believe, and on November 25 there appeared in the press a report almost a column in length, dealing with that afternoon session. Someone must have had access to the records. They must have gone to the office where the records were kept, taken out the records, looked them over and reported upon them.

I have no particular objection to these matters being reported. My point is simply that if a session is regarded as secret by all of us, then somebody somewhere is breaking confidence. I might mention as a further illustration another committee which sat about a year ago. A secret document was brought before the committee by an officer from the Department of Justice. He would not even let that document out of his hands. He would not permit it to be passed around. It was something that he had received from a foreign legation here. But what happened? We regarded it as secret, but not long afterward a certain member of this house read that secret document over a national radio hook-up in Canada. When I placed questions about that incident on the order paper last session the hon. member who read the document thought I was finding fault with him. I was not. The fault did not lie with the hon. member. I suppose most of us, if we could get access to something of that kind and broadcast it over a national hook-up, might do the same thing; in fact I do not think we would lose any time in doing so. But I place the responsibility for that occurrence upon the Department of Justice, whose representative considered the document to be secret and would not even let the committee see it. Then it was given to one of the members of this house, on the government side, to read over the radio.

I say that at that time the government, through the Department of Justice, broke faith with the work of the committee. I put a question on the order paper asking if any other hon. member would have the same opportunity of having access to such documents and reading them over the air. The answer was that that was a matter of government policy. The only conclusion one can make with respect to an answer of the kind is that the government policy is to let one of the Liberal members read it, but not to let any member of the opposition read it. That is the only conclusion one can come to.

Now, to get down to the work of this committee, last year we investigated some of the medical services of the army and the air force. May I say in passing that this is the only opportunity we have had in a year to discuss the work of that committee. It has reported several times—I do not know how many. There has been no motion for concurrence in any of the reports, and while we have been able to discuss war expenditures in the various branches of the service, through the defence ministers, in committee of the whole, we have not been able to carry on a discussion on the basis of the work of the war expenditures committee.

To me at least it was a glaring fact that there was not sufficient coordination between the army, the navy, the air force and the Department of Pensions and National Health with respect to the medical services of these branches of the forces. Perhaps my language would not be considered vulgar if I were to say that each seemed desirous of running its own little show. It did seem to me that there was an element of that principle, all through the evidence. While the suggestion may not be acceptable to the Minister of National Defence and to the other defence ministers, my own observations lead me to suggest that there should be one department or, shall I say, one great organization for the conduct of the medical services of all, and that this organization should be under the Department of Pensions and National Health. I know that the suggestion will not be acceptable, but to my mind there is no good argument against it. It was the view of one of the outstanding medical witnesses who gave evidence to the committee. I see no reason why it could not be carried out, and it would effect the saving of a great deal of money.

The Department of Pensions and National Health purchases its own supplies, while the Department of Munitions and Supply purchases the medical supplies, for the rest of the forces. It seems logical that if a man has appendicitis it makes no difference whether he wears the uniform of the air force, the army or the navy; he has appendicitis just the same. If a man has a fractured leg, it does not matter whether he is in one branch of the service or the other. Not only could there be greater coordination, but in my view if the medical services of the country were under one department and one head they could be carried on more efficiently.

The evidence before the committee showed that the Department of Pensions and National Health had a good deal of bed space to spare, while some of the other branches of the forces were overcrowded. I recall that the committee took one trip to Toronto and while there visited a small hospital which in peace-time was known as Grace hospital, situated at the corner of two busy streets. It had been abandoned by the hospital authorities of Toronto as being inadequate for hospital purposes. When we went in there it seemed to be full of patients. The corridors were narrow and the equipment was anything but what it should have been That hospital came under the medical services of the army. From there we went to the magnificently equipped Christie street hospital, operated by the Department of Pensions and National Health. There we found about 800 beds available. I believe that condition could be duplicated right across Canada. I can see no reason why the medical branches of the three armed services could not be coordinated with the medical services under the Department of Pensions and National Health. I know the present rule states that no man may come under the Department of Pensions and National Health until he reaches category E or is discharged. Well, a rule can easily be altered. After all, it is only a rule, and one of the functions of governmental administration is the altering of rules. The government has altered plenty of rules in the past few years, and there is no reason why a change could not be made in this instance.

I have something further to say which may not be strictly in line with the idea of economizing in war expenditures. Each war service controls its own medical branch and has its own hospitals. Each air-training school, for instance, has hospital accommodation, either small or large. May I make a suggestion to the government which, I believe, would coincide with what was said a little while ago by the hon. member for Rosetown-Biggar, in connection with the salvage of this equipment after the war. I suggest that wherever possible, instead of building hospitals in air training schools and military camps they should build additional permanent space in the civil hospitals, and equip those hospitals for the added responsibilities they will have to shoulder. If this were done, when the war ends the communities concerned would have assets. There can be no question that there are hundreds of communities in Canada which lack proper hospital facilities.

There is a number of air training schools in my constituency. The government has been very liberal with me; I believe there are more in my constituency than in the constituency of any other member of parliament.

Mr. JOHNSTON (Bow River): You must have some good will.

Mr. HANSELL: I have ways. A number of these air training schools are situated within a few miles of town. For instance, take the town of Macleod—I am sure the picture will be the same in other constituencies —with a population of nearly 2,000 people and a hospital of twenty-five beds. There is a huge air training school just across the tracks, right on the edge of town, and this school has its own little hospital. Why could not the amount of money spent on that hospital, or a little more if you please, have been put into an addition to the hospital already located in the town, making it a permanent feature that could service the air training school and yet be an asset to the community when the war is over? I think that is worth considering.

I do not believe I shall be breaking any of the rules if I read part of the evidence that was given to the committee, because it was not in any sense confidential. We had the evidence of a man who was an authority on hospitalization. I asked him:

> What would be your attitude to a suggestion that an addition be built to that hospital at the hospital's expense but the government underwriting that additional expense for so many years; guaranteeing the loan, and so forth—underwriting it—so that the hospital could care for the army or air force patients in those districts and when the war is over still have the accommodation for their civilian purposes?

This is the answer:

> Yes. I foresee at the end, if this war goes five years or four years even, if there is no building of civilian hospitals at the end of this war we are going to be very short of accommodation if these people are going to be thrown back on the civilian institutions; and that was one of the purposes of my letter to the Prime Minister, to try to get something that would cushion the shock of the change-over.

I do not think I need to read all this. The argument is used that the air force must have a hospital at its quarters in case of crashes, but the reply would be that crashes do not always take place over the airport. They may occur thirty, forty or fifty miles away, and the men involved are rushed to the nearest hospital. I make that as a suggestion, and I ask the government to give it serious consideration.

There is another point I should like to raise in connection with the work of the committee that will sit this year. It will experience the same difficulty in extracting evi-

dence from those who are in the different services, in the army, the air force and the navy, as was experienced by the committee that sat last year. The members are going to find it difficult because of the military attitude that is to be found throughout the services. An officer in the army appears and attempts to give evidence, but when he finds that he does not agree with his superior officers, I challenge the committee to get evidence out of that man.

Mr. ROSS (Moose Jaw): Not if it is in open session.

Mr. HANSELL: It is not only in the closed sessions that that occurs.

Mr. ROSS (Moose Jaw): Oh, yes.

Mr. HANSELL: My hon. friend says, "oh yes," but I should like to read some of the evidence. I will not give the name of the man who was on the stand, but there was nothing private about this matter because no information was revealed. When we found that we could not get any information, the chairman asked this question:

> You notice the point we are concerned with —the duplication of agencies. Have you thought about that at all—how to eliminate and still perform the task—how to eliminate the unnecessary duplication?

The answer is:

> I think that is a question for the senior men in charge of the services to decide among themselves; it is not for me to pass any opinion on anybody else; it is their duty, it is their prerogative, shall we say.

I am not blaming that man for adopting that attitude; I suppose he could not help it. Another question follows by the chairman:

> We are in camera, and it is our duty as members of parliament—
> A. And I am in the army.
> Q. Mr. Picard: But we are here as a committee to investigate some aspects of army administration.
> A. Sure.
> Q. The Chairman: We represent the taxpayers and you are one of them.
> A. Very much so.
> Q. And we would like to draw on your wide experience. Have you any thought on that?
> A. No. I do not think it is right to ask me.

I am convinced that that gentleman had the facts. I am convinced also that he was a witness who knew whereof he spoke, yet because he realized that he disagreed with his superior officer he dared not venture the evidence. That is the position in which the committee found itself on that occasion. I am not a lawyer; perhaps some hon. members of the committee who were lawyers could have extracted the evidence. I understand that the chairman is a lawyer, and there were a few others, but they could not get it. It may be necessary sometimes to go outside the services altogether in order to get evidence, or there may have to be some principle brought into play under which these men will be completely protected.

Another matter to which there has been little reference is that of patents and inventions. Quite often we read a news item stating that some man has invented something that may prove useful to our war services. For instance, a few years ago a carburettor was supposed to be invented by some gentleman that would run a car a hundred miles or some very large mileage on a gallon of gasoline. There was a good deal of reference to it in the press.

Mr. COLDWELL: The Pogue carburettor.

Mr. HANSELL: I do not know whether it was Pogue or Poke; anyway it never came into general use. Perhaps the Minister of Munitions and Supply or some other expert will tell us that it never did exist, but there is a feeling throughout this country that the inventive genius which may be inherent in Canada can sometimes be sabotaged by the big interests if it happens to interfere with their private profits. I do not know whether that is true or not, but I do know that in the United States of America the government has set up what is known as a national inventors' council under their Department of Trade and Commerce. That council will receive any invention that anyone under heaven cares to send them. All the ramifications of copyrights and all that are avoided, so that even if a young high school lad has discovered some little twist or something of that kind to improve something, he can send it direct to the council. All these suggestions are looked over by the council and if there is any merit whatsoever in any idea submitted, it is passed on by the council to their research board, by whatever name it may be called, and is tested. If the test proves that the invention is worth while it is passed on to the army, navy or air force or whatever branch may be involved, and the person who first suggested the idea is given adequate compensation for his discovery. Something like that should be done in Canada. I believe it would be a tremendous encouragement and of great benefit.

There is another point about it. We know that inventions, royalties, copyright and all that sort of thing constitute a tremendously complicated question. Anyone in this country or any institution in this country which would take any such invention and sabotage it in the interests of their own profits is performing an act of treachery, if that is not too strong

a word. They are saboteurs indeed. This is something that is well within the realm of possibility because the other day I saw by the press that a committee of the United States senate was investigating this sort of thing. The clipping which I have here says:

> Among other things the committee was told of a vast patent pool linking the General Electric company with Krupp interests in Germany which prevented greater manufacture of cemented tungsten carbide.
>
> Another cartel agreement between German interests and the Remington Arms company had at one time impeded American sales of military ammunition to Britain and other parts of the empire.

I do not know what goes on behind the scenes at the Department of the Secretary of State, who has copyright and inventions under his administration; but I am quite certain that all the inventive genius which there is in this country and which could have been utilized should be brought into play and be used in the prosecution of this war. If there is a carburettor anywhere in this country that will save only one mile a gallon on gas we should know it, and if that idea has been sabotaged the saboteurs should be dealt with accordingly.

Mr. GLADSTONE: Will the hon. gentleman permit a question?

Mr. HANSELL: I have not much time left.

Mr. GLADSTONE: Has he not seen in the evidence that an expert made the statement before one of the subcommittees in the United States that the Pogue carburettor was impracticable?

Mr. JOHNSTON (Bow River): That is not borne out by what Mr. Pogue said himself. I have corresponded with him.

Mr. HANSELL: Answering my hon. friend's question, I do recall evidence given to that effect, but I also recall that when that gentleman gave that evidence he said, "Hush now, boys, this is not to go on the record," and that is why I did not mention it this afternoon. My hon. friend has mentioned it; I have not. The gentleman said that that carburettor was so much boloney. I do not know whether he had seen it or not. Maybe it is so much boloney, but this country was given to understand that it was not, and that such a carburettor was in existence. I am not finding fault with the work of the committee. I am simply making the suggestion that the government set up a council on inventions, to which a man can bring his ideas or discoveries or inventions, without having to go through all the various ramifications of the copyright office, for which procedure he requires a lot of money, and many a poor inventor has no money.

Mr. ROSS (Moose Jaw): Why waste time when there is an inventions board now?

Mr. HANSELL: If there is a national inventions council in Canada I have not heard about it. That may be my fault, but if I have not heard about it, and I am here for five or six months of the year, I conclude that the rest of the country knows nothing about it. In the United States the work of their inventions council is publicized. They say in effect: "Come on, you Americans; if you have any suggestions to make, make them to us." Certainly that is not being done in Canada, even though an inventions board may be in existence here.

May I say in conclusion that I am, of course, in harmony with the government and with the committee in desiring to reduce, so far as practicable, war expenditures. If, however, we attempt to reduce war expenditures in this country at the expense of efficiency, we shall be making a huge mistake. We have found—and I know the committee will agree with me—that some departments needed more money than they were able to lay their hands on for particular purposes. We went down to the hospital at Petawawa and were taken through the nurses' quarters.

Mr. FAIR: Oh!

Mr. HANSELL: My hon. friend does not like to think that we were taken through the nurses' quarters. We saw the nurses sitting on nail kegs because they had no chairs in their rooms. What they needed there was a little more money, instead of a little less. The brigadier who was showing us around said, "You ask us to cut down our expenditures. I wonder what we could cut out here." There was not very much they could cut out in those quarters.

Mr. SPEAKER: The hon. member's time has expired.

Mr. HANSELL: If I may, Mr. Speaker, I shall take not more than half a minute to conclude.

The Social Credit philosophy is simply this: if a thing is physically possible, let us make the treasury reflect that fact. Let us save in every possible way every material thing we possess, but do not let us impair our efficiency by paring down expenditures where that does not seem to be absolutely necessary.

Mr. J. J. McCANN (Renfrew South): The brief observations I have to make have to

do more with the motion before the house at the present time than with the discussion of the report of the war expenditures committee of last year. In passing, however, may I say I agree with the hon. member for Macleod (Mr. Hansell) in several of the remarks which he has made. As a matter of fact, I appeared as a witness before the war expenditures committee last year, and several of the recommendations which I made are recommendations which the member for Macleod is making to-day. I am very glad to tell him that some of those recommendations made by myself a year ago are being acted upon. For instance, with reference to hospitalization, grants have been made to civilian hospitals in different parts of the country with a view to augmenting and extending their facilities to be used in wartime purposes for our armed forces, and they may in later years be used for the civil population.

In looking over the personnel of the present committee I observe that geographical considerations appear to be given more prominence than either the capability or the experience of those on the committee to hold the type of investigation that will come before them. In a committee consisting of twenty-four members, there are fourteen lawyers. Fortunately, the Prime Minister (Mr. Mackenzie King) has seen fit to put along with them one or two preachers to guide them along the right path. Last year there was quite an investigation with reference to hospitalization and medical and dental services. The heads of the dental services of the three branches of the armed forces appeared before the committee.

A very considerable amount of money has been expended in connection with hospitalization. Much more will be expended in other years, and enormous quantities of supplies are being bought for the three branches of the service. It will be noted, however, that on the committee that is appointed there is not a single medical man, although there are fifteen or twenty medical men in the house. In the matter of selection that is an oversight. If we want to use the capabilities and facilities which are at hand in this house, then they should be put in the places where they can be of best service, and I submit to the Prime Minister, or whoever is responsible for this and similar committees, that there are in the house engineers, dentists, doctors, and other men, especially medical men, who could give valuable service on committees with reference to hospitalization, expenditures on construction, expenditures on medical and dental supplies. Yet their services are not used.

I laugh when I read the personnel of the committee, and I laugh at myself when I am put on the fisheries committee, when I do not know any more about lobsters or the fishing industry than other hon. gentlemen know about medicine. If such a situation applies to myself, I do not doubt that on analysis it will be found to apply to a great many others. I suggest to the Prime Minister, therefore, that in the setting up of the committee they utilize the services of some medical men who could give them valuable information as a result of their lifelong experience in the medical field, and the same thing applies to dentists with regard to the matter of dental services. Valuable assistance could be obtained from the experience of these men.

Mr. T. C. DOUGLAS (Weyburn): I want to take a few moments to lodge a vigorous protest against the manner in which parliament has been compelled to conduct the nation's business, particularly during the war. I am sure that every person who cherishes democratic institutions to-day must be concerned with regard to the fact that parliamentary institutions in this country have to some extent fallen into disrepute. One has only to read the daily press and some of the popular periodicals and listen to conversations in railway smoking cars and on the street to realize that parliament has become fair game for punsters, wits and columnists. While it is true that some of the criticism is not fair or justified, it must also be said that we ourselves in this house must accept some share of responsibility for the fact that there is a growing feeling that parliament has become largely a talk-shop rather than a workshop.

Some hon. MEMBERS: Hear, hear.

Mr. DOUGLAS (Weyburn): The "hear, hear" does not affect me. I have taken very little time in this house in the past few weeks, but I assume that hon. members approve what I say.

Mr. ROSS (Moose Jaw): You are right, whether you take time or not.

Mr. DOUGLAS (Weyburn): I am always glad to have any epigrammatic remarks from the hon. member for Moose Jaw. They always add to the wisdom of the house.

There is a feeling that in this twentieth century, when the whole tempo of life has been speeded up, our parliamentary institutions must develop a technique to meet the problems of the times, and it seems to me

that there are two main problems facing this parliament, particularly in a time of war. The first is the problem raised by the hon. member who took his seat a moment ago (Mr. McCann), the problem of giving members some effective task to do, particularly in relation to the war. A large part of the administration of the affairs of the country is done by order in council. Much of that, of course, is necessary and I am not complaining; but a good deal of it is unnecessary. Boards are set up with power to pass regulations based on orders in council, and the whole machinery of administration has been set up outside parliament altogether. The result is that this house has become to all intents and purposes a forum for the expression of ideas and the carrying on of debate. Members on both sides have expressed the opinion again and again that they feel frustrated and, in some instances, almost useless. I know the impression is sometimes created abroad that members of parliament have a soft job and are glad to get here as a sort of refuge. This is not fair. Some members on both sides of the house have left lucrative legal and medical practices and others have left business concerns to come here at considerable sacrifice, and members have said to me and, no doubt, to others, that they felt that, having made that sacrifice in order to come here, they should be given an opportunity to exercise their talents, to use their business judgment and to give the country the benefit of their experience gained in different walks of life, to the end that the war effort might be prosecuted more effectively. That is the first problem that faces us. I think the Prime Minister, as leader of the house and the government, should help to work out some technique designed to use the services of members of this house.

The second problem is the method of handling in parliament the expenditures of the country. We all recognize that the method of passing estimates as followed in peace time is no longer sufficient. The committee of the whole house has over 240 members, and to question a minister in that committee, as we have been doing for the last two or three days, is futile. One feels almost apologetic when he tries to ask two or three questions, because he is holding up other hon. members who have been up and down on their feet for ten minutes trying to get the floor. It is impossible to follow a logical sequence in questions with such a large committee. The result is that we have been getting very little information to enable us to see clearly the whole picture as to what the government is doing with the public funds. Even when we do ask questions, much of the information desired cannot be given, because to do so is not in the public interest. There has been some discussion as to what is and what is not in the public interest, but I agree with what the hon. member for Rosetown-Biggar (Mr. Coldwell) said, that there are a great many facts that cannot be given to the house or the committee of the whole. But that does not relieve us as members of parliament of our responsibility, and if we cannot be given the information in the house we ought to be given it in a committee. We ought to know what the government is doing with the people's money. In the last two and a half years we have been voting astronomical sums. Most of us could not begin to explain to our constituents the exact purposes for which they were spent. It is not now a matter merely of hundreds of millions of dollars but rather of billions. Even if it were possible for the government to issue public accounts covering all the items, it would make so many volumes that few hon. members would be able to go over them.

With that in mind clamour began in the first war session, 1939, to have parliament set up some kind of machinery by which these war expenditures could be examined by hon. members. Nothing was done then; the war was just beginning, and nothing could be expected. In 1940 nothing was done. A good part of 1941 went by, and late in the 1941 session a war expenditures committee was appointed. It sat for a few months. It examined only one small field of the Canadian war effort. It tabled its report, and that report has never yet been discussed in the House of Commons. We have been two and a half years at war, and during all that time the public accounts committee has not met. We have never yet examined the contracts let by the Department of Munitions and Supply, not because we could not do so, but because the war expenditures committee, sitting only a few months last year, could not even begin to cover the tremendous field that lay before them. Here we are now in the session of 1942, close to the end of the third year of the war, and on the 29th day of April, three months after the opening of the session, we are setting up a war expenditures committee. What possible excuse can there be for this delay? We know that in all probability the house will adjourn in the course of the next two or three months; the time left at the disposal of the committee will be at the most eight or ten weeks. Nearly half a million contracts have been passed since the outbreak of the war. If the committee sat twelve hours a day it could not make even a respectable dent in this great mountain of contracts. It could not begin to examine with

any care or on any sound basis of judgment the great number of expenditures that have been made during the last two years.

It seems to me that the time has come for the members of this house on both sides to insist that the government shall take steps to streamline the work of parliament. I know the Prime Minister is busy with all the administrative duties that fall upon a war government. But if the Prime Minister is not able to do it, there ought to be a deputy leader of the house, with no departmental responsibility, to take up the task of streamlining the work of the house and setting up a number of subcommittees, following the suggestion of the hon. member who has just taken his seat, (Mr. McCann); to bring together medical men, men with business experience, engineers, men experienced in science, and refer to them the various branches of our war effort. Let them examine what has been done. Let them make constructive suggestions. Let them point out frankly what has been wrong so that we can benefit by our mistakes.

I have been very much encouraged during the last few weeks by a reading of the reports of committees on national expenditure sitting at Westminster. If anyone has developed the complex that parliament cannot meet the problems of a country at war in the twentieth century, that person is wrong. In Great Britain they have worked out very successfully a technique by which parliament can become an effective democratic instrument. They have set up what I suggested a minute or two ago, a number of subcommittees. To read the reports of these committees is a revelation and a source of encouragement. They were made up of members of the various parties; the government would naturally have a preponderance of the membership, yet the reports are anything but complimentary. Where there have been mistakes they say so; they call them to the attention of the appropriate department and ask the government to correct them. That is the only way in which we can hope to make any progress.

I have here the report with reference to the air force from which I want to make two short quotations. This is part of the report tabled by the committee with respect to the Scottish repair depot. It states:

> Early in 1939 the Air Ministry acquired 160 acres of land adjoining this aerodrome for the sum of £26,637. The land so acquired was an undrained bog with a covering of peat up to a depth of 7 feet lying upon a bed of clay. Though with modern engineering knowledge and appliances it would be wrong to say that any site is impossible for the erection of a building, it would be difficult throughout the length and breadth of this country to find any site which was likely to prove more difficult and expensive than the site here selected.

The report goes on to say:

> The site to the east of the aerodrome, which had been favourably reported upon, was found to be subject to flooding, and was discarded. There remained the site to the southwest of the aerodrome, which had also been favourably reported upon. The subcommittee were informed that the Air Ministry was familiar with this site and all the other sites adjoining the aerodrome and was aware both of the nature of the soil and of the fact that it would probably be found necessary to resort to piling to obtain support for the foundations.

Further on it says:

> The subcommittee are not satisfied that sufficient care was taken before rejecting other sites in the immediate neighbourhood. It is, they think, to be regretted that the advice of competent local people was neither asked for nor obtained.

Mr. MACKENZIE KING: May I ask the hon. member what is the date of that report?

Mr. DOUGLAS (Weyburn): It was tabled in the British House of Commons on May 28, 1940.

Mr. MACKENZIE KING: That was the very reference I quoted last year as an example of the kind of thing our committee might be expected to do.

Mr. DOUGLAS (Weyburn): If that is a good example I should think the Prime Minister would have had this committee appointed about January 28, rather than April 29. I have a number of reports here. I need not bother to quote them all, but I would refer to one which refers to propaganda in Great Britain. Many of us have been critical of the type of British propaganda that has been carried on, and it is rather interesting to see what the committee has to say about the films issued by the British ministry:

> Against the three films which the ministry was able to influence and assist must be set a number of cases in which commercial producers made films which they thought were excellent propaganda but which in the opinion of the ministry were disastrous and were calculated to have precisely the effect which the minister did not desire. This state of affairs would be ludicrous if it were not intolerable. It has arisen through the lack of sufficiently close cooperation and mutual understanding between the industry and the ministry, the need for which has already been emphasized. Day-to-day interference by the minister in the affairs of commercial producers is to be deprecated.

I need not quote the many other reports I have; hon. members can obtain them from the parliamentary library, but I do invite hon. gentlemen to give them some consideration. In England they have made use of practically every private member of the house,

working on subcommittees. At a time like this, when the tentacles of government have reached into almost every aspect of our economy, for its own sake and for the sake of the morale of the Canadian people, as well as for the reputation of parliament, the government should have every aspect of its activity constantly subjected to the scrutiny and examination of members of this house. I feel that the government would do well to make use of hon. members in this way. The Prime Minister has sitting behind him a great many private members who have had experience in various walks of life and who are given very little opportunity to do any work of the sort being done in England. I feel that it would be of tremendous help not only to them but to Canada as well if subcommittees of this type were set up. Now, almost three months after parliament was convened, we are setting up a small committee of twenty-four members, broken up into three subcommittees of eight members. They cannot begin to do the work that should be done. There is no reason why a dozen subcommittees should not be set up dealing with the various aspects of Canada's war effort. There is no reason why hon. members could not be grouped, not necessarily by provinces or by parties, but according to their particular training and experience. I feel that they would greatly assist the ministers; that through these committees the ministers would get advice based on the experience of the members, instead of having, as we have had for the last two or three days, members rise in committee of the whole and present individual cases to one minister or another. We cannot conduct the business of a nation in that way. If every hon. member of this house were to bring from his files all the individual cases which have come to his attention and place them before the Minister of National Defence, that minister alone would be here for six months. But if we had committees to go over these cases, they could come to some conclusions with respect to them; they could make suggestions as to changes in policy; they could offer recommendations to the ministers, and many of the cases of hardship or injustice or miscarriage of administration would never come into this house at all. Then this parliament would become what it should be, a place for the discussion of policies, and matters of administration could be dealt with by a large number of committees made up of private members of this house.

I do not offer this suggestion merely because I want to see private members have more to do, or merely because I want to find some new opportunity to criticize the government. I offer these suggestions to the government because I am convinced that if we are to win this war we must maintain the morale of the Canadian people. We are constantly repeating in public statements that this is a war for democracy, but we have to convince the people that democracy is a reality; that it is not some outworn shibboleth that belongs to the nineteenth century but is something which can operate in our day; that it can operate more efficiently and more effectively than the totalitarian states can operate; that it can harness the experience and ability of private members representing the people, and use that experience and ability in the common task of winning the war. I feel certain that if we do this the position of parliament will be much enhanced in the mind of the Canadian people, and the government will be greatly assisted.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, if this resolution passes to-day, in my opinion parliamentary government will be at an end in Canada. Over a hundred years ago they had a civil war in England in order to obtain control over the executive and of all expenditures. Since this war started this parliament has had no such control over anything. Here the session is almost two-thirds gone—this is the fifty-third day of it—and the government bring in a motion at this late hour to appoint a committee, to do what? To take out of the hands of this parliament any remaining control it may have over the expenditures in connection with the war or discussion of it from now on. So far, that control has been very little and is a myth. We have rules and regulations of the house; we have statutes; we have the auditor general and an audit act; we have a treasury board, which is supposed to pass on estimates, allotments and commitments and guard the treasury. We are simply going around as a parliament in a circle because control is daily taken from us. For many years I was a member of the public accounts committee, but since the Bren gun matter in April, 1939, I doubt if that committee has had a meeting; at least I do not remember one.

To-day with these rising billions of dollars in uncontrolled estimates, the people are wondering what kind of parliament this is when we allow money in astronomical figures to be spent like water by the government absolutely without any control or authority on the part of this parliament or its knowing a thing about it. What audit is made of the nearly $4,000,000 a day which is being expended on the war by the various departments of government and all these outside boards and commissions? I raised that ques-

tion last year in connection with the estimates of the Minister of Finance. I asked: Does the auditor general audit each account in detail, and, if not, what check or audit is provided by law, statute, custom or usage, and by whom? Here we are at the fifty-third day of this session, and at this stage we are asked to pass this resolution by which we consent to hand over to a select committee all these billions without any check or control or say in it, over our heads.

What is the object of appointing this select committee? Speaking on the appointment of a similar select committee on war expenditures last year, as reported at page 1257 of *Hansard* for March 5, 1941, I said:

> What is the object of having a select committee if it is going to have its hands tied behind its back through the failure of the government to give it the power which any committee should have in order to function properly regarding war expenditures, manpower, recruiting, munitions and overseas policies. . . .
>
> I notice by the explanation which the Prime Minister gave of the resolution last night that the committee has no power to go into any question of government policy.

If it has no power to do that, why is the committee appointed?

> As far as this war is concerned the committee will have its hands tied behind its back because it has no power to deal with any question of government policy regarding the war. . . . My second point is this: the government has decided that it is to be the tutor, custodian and guardian of the committee. The committee is not to be allowed to do anything but what the government allows it to do. The government will decide, so far as its war effort is concerned what information shall be kept secret and what not. No member of this house wants to give the enemy any information—

But I say this, that at the present time Canada needs an auditor general like the late Auditor General McDougall. Auditor General McDougall, thou should'st be living now! Canada hath need of thee, right at this very hour—as Wordsworth said of Milton—because "never were there as many who knew so little about so much." History will condemn this House of Commons for having allowed all these expenditures without the power to deal with this matter in the manner indicated.

I am dealing only with the system and great principle of parliamentary control. The men nominated to the committee are all good men. They have done admirable work. I have sat on committees with some of them, and they are some of the best men in the House of Commons. It will be understood, therefore that I am not saying anything about the personnel of the committee, but the system functions and policy herein. When the committee has its hands tied behind its back, and is refused power to function, when secret meetings are held and we have reports made thereof to parliament and no concurrence in the findings; when we have an estimate made by the treasury board of $1,325,000 for war expenditure and have a deficit of over $135,000,000 at the end of the fiscal year and when we get up in the clouds this way, then I say it is high time parliament had some control over war expenditures, because the minister can himself authorize them when the treasury board is not meeting.

The figure for the next year's expenditures is set at $2,200,000,000. What control has parliament over those expenditures? It has no control whatsoever. I am not a believer in this lack of any system. We know that in the mother of parliaments there is a war expenditures committee. But that committee sits nearly three hundred days in the year. It sits when the house is in session. On the other hand, the committee in this parliament, has not, up to this fifty-third day of the session, held a single meeting. It is not yet appointed. Neither has the public accounts committee sat.

As I said last year with regard to these particular matters:

> I have already expressed the hope in this house that this committee will not be in any sense a whitewashing committee but will deal thoroughly with Canada's war effort. I hope it will consider the whole war effort, not from any partisan point of view but for the purpose of letting the people know the real facts with regard to what Canada is doing, and be in effect a fact-finding committee. If the committee is intended to be a business committee, appointed to go over all expenditures incurred since the war—expenditures past and current—in connection with defence and all that sort of thing, very well and good. But I hope that the committee when appointed will cover all the ground and will see to it that the Canadian people are given the real facts about our war effort—

And value for their money. I may say that that was not carried out. What was done at almost the first meeting of the committee? They passed a resolution to the effect that they had nothing to do with past expenditures on the war, and that they were only conducting a post mortem and decided on a whitewash of the war money spent. That is all this committee is doing; it is just conducting a post mortem over expenditures, and it sits mostly and almost entirely when the house is not sitting, and meet as various subcommittees to find out nothing, owing to the text of the resolution.

The committee of this parliament operates in an altogether different fashion from the

committee in England. I hold in my hand the last report of the war expenditures committee to the house, and I can say that the house has not yet seen it, and the house has been refused the right to deal with concurrence in this report. In the old country, almost every day the house meets, fifteen to twenty pages of questions on the orders of the day are asked about war expenditures, and it saves extended debates such as this. On the other hand, we in this parliament who are proceeding to spend billions of dollars are doing so without any control over the executive.

On November 3, 1941, the hon. member for Lake Centre (Mr. Diefenbaker) asked if it was the intention of the Minister of National War Services (Mr. Thorson) to move concurrence in interim reports 4, 5, 6 and 7 of the special committee on war expenditures, which had been tabled that day. The Minister of National War Services who, I believe, was chairman of the committee, said that he did not think there was any intention of doing so. Following that, the hon. member for Macleod (Mr. Hansell) asked if an opportunity would be given to discuss the report. To this hour no discussion has yet been held.

What is the object of the committee, if the house is to have no control over it or deal with its findings? Here we are, spending these large sums of money. As we go about the country we see lots of waste. I could take any hon. member right to Toronto, and I could show him around the normal school where there has been a great waste of public money in connection with the erection of buildings at that point, when the government could have obtained other buildings, possibly at no expense of public property and schools, for the same purpose. Just look out of a train window when passing along the Toronto waterfront, and one will see the numerous huts built along there. Many of them are vacant. I am not attempting to criticize the three war ministers—far from it. But it was stated by one minister in the house at the last session that those ministers had not located the various camps from Vancouver to Halifax, but that they had been located by the Minister of Munitions and Supply. I can tell the house that after some of those camps were established it was most difficult to get sewers, water supply and transportation facilities, and in the winter weather get proper training.

Then, let us consider the purchase of ships. What information can we get about them or about those sold before the war for a trifle? The history with respect to select committees has always been the same. The standing committees are all right, because they stick to their task. It is altogether different, however, in regard to select committees. I have been in the house since 1921, and I have never known a select committee to do anything useful. I am not making these observations in any partisan sense, but it is a fact that the party in power selects the members of a committee, and it prepares the text of the resolution appointing such committee and drafts the report to the house. These select committees are bound by the resolutions setting them up, and they must operate within the four corners of their orders of reference. They cannot go beyond those four corners.

We had a committee on Atlantic shipping. We had a committee in connection with the customs scandal. We had another committee which dealt with Beauharnois. There was another committee to consider price spreads, and another to consider the Canadian National estimates and the public accounts in connection with the Bren gun. All those committees did not find a thing useful, made reports to the house, and they were discussed, except the Bren.

I am not casting reflections upon such committees, but I do know that the government has always had one or two ministers on each committee, and that majorities have always written the reports. There has always been a good deal of partisanship in the work of such committees, and that is bound to take place under this parliamentary government. It is true that the report of a select committee when presented to the house is to a great extent a partisan report, and sometimes a minority report is made also.

I understand all parties are united in the war effort, and for the remainder of the session I should like to see all other domestic discussions, except those having to do with the war, excluded. We have now reached the fifty-third day, and it is only at this time that the motion has been presented to deal with war expenditures. The committee which sat last summer did not deal with the important question of rearranging of soldiers' pay. There should be a better system of soldiers' pay, for the lower paid groups. That matter was not heard of until, after I dealt with it many times, it was discussed in the house. Then, these dollar-a-year men, and many price and trade controllers have been appointed since that committee sat, and there should be some discussion on that point, because they are a law unto themselves and spend millions over our heads as they like.

I notice the resolution states:

That a select committee be appointed to examine the expenditure defrayed out of moneys provided by parliament for the defence services, and for other services directly connected with the war, and to report what, if any, economies consistent with the execution of the policy decided by the government may be effected therein, and that notwithstanding standing order 65 the committee shall consist of twenty-four members. . . .

And then the members are listed. When the committee of last session presented its report there were no discussions in the house. No concurrence was moved in any of its work.

We are spending money like water. Large amounts of money are spent in an unknown way, and we have no control at all over expenditures when a mint of money is being spent. Since the last committee met there have been several innovations.

We have this price ceiling board and many others which have been set up under the War Measures Act. They have roving commissions to go all over Canada and there is no control over their expenditures. Six weeks ago a motion was moved by me for particulars about the dealings of this board and corporation on ceiling subsidies, and the Minister of Finance (Mr. Ilsley) to give any information. During the Easter recess the chairman of the board announced that the expenditures on subsidies were up to $2,000,000, and two weeks later the Minister of Finance gave out approximately the same figure. We have information with reference to victory loans and war savings certificates, and we are told that $9,000,000 was the amount of the expenses in connection with the 1941 victory loan. The details have been refused. Entertainments of various kinds have been held; many expenses have been incurred, and yet the public are denied information, although these will add to the interest to be paid on the loans. The hon. member for Danforth (Mr. Harris), who was a member of the war expenditures committee, dealt with this matter on March 5, 1941, when he said, as reported on page 1267 of *Hansard*:

We can go back to other days. I do not use the word "whitewash" which was employed by my hon. friend (Mr. Church) a few minutes ago. It describes rather well, however, what happened in the days of the customs investigation, what happened in the price spreads investigation, yes, and what has happened in every committee that has sat on any special problem in the last twenty years to my own knowledge.

These outside boards have been spending money like water. Last session I asked the Prime Minister what the other legislative body that meets in another place in this building was doing and if he would give them useful work to do. They have met for about six hours since last June. Why should their services not be utilized? They have a number of financial men and able parliamentarians there whose services could be used to advantage in doing some of this work in such a war crisis as this. Why are they not summoned and given some of this war work to do? They might be asked to do this work, even though it meant that they had to meet every day. The system is all wrong and it cannot go on much longer. The country is heading for bankruptcy unless we protect the business man and the taxpayer. Too much money is now being taken from him. The small business man has been put out of business. Without any authority from this parliament the small retail business man in Toronto and other cities has had so many artificial burdens, barriers and restraints of trade placed on him in connection with the conduct of his business that he is losing his business and the right to make a living. We are sitting here as a parliament; yet we do nothing about it, and this is the fifty-third day of the session. The whole system is wrong and it must be changed. Parliament must regain control over the expenditures of these bodies. It is now or never. If we do not do so, then parliament might just as well be abolished. We may as well go home and leave the conduct of business to the executive. No matter what motion is proposed, objection is raised by the Minister of Finance.

With all due respect to the present Minister of Finance and without intending any disparagement whatever of him, I must say that he has not had the necessary financial training or experience for this important position in times like these and relies on men who are not experts in finance. A total of $2,200,000,000 may be spent over parliament's head for next year, without any adequate control. They would not allow that in England or in Washington. As a member of the House of Commons I wish to protest against these outlandish expenditures being made without any control by this house.

Mr. HANSON (York-Sunbury): I rise to a point of order. When the house adjourned last evening the minister who was leading the house made the distinct statement that to-morrow we would continue with the present discussion, which had to do with the resolution for $2,000,000,000. When we met to-day the Prime Minister (Mr. Mackenzie King) moved this motion to set up this committee, and a debate has developed, unexpectedly to me.

Mr. RALSTON: And to me.

Mr. HANSON (York-Sunbury): The effect has been to prevent us from reaching the orders of the day, for which hon. members have been waiting all afternoon. I suggest to the Prime Minister that someone move the adjournment of this debate just before six o'clock so that we can have the orders of the day called. I think that is only fair in view of what occurred last night.

Mr. MACKENZIE KING: I think it is understood that the references that are made to the matters to be taken up for consideration relate to those items which stand on the order paper as government orders. It is always understood that a preliminary motion is liable to be discussed, unless there is some special question raised about it. I do not think there are many who still desire to continue the discussion this afternoon, and I should think that it still may be possible to give an opportunity to any hon. member who wishes to ask a question on the orders of the day to do so before we adjourn. I would be the last speaker on the motion, and I promise to make my remarks exceedingly brief. I think we ought to continue.

Mr. J. H. BLACKMORE (Lethbridge): I have been impressed more or less with the remarks of the hon. member for Broadview (Mr. Church). I was not a member of the committee which sat last year, but I was in close contact with its activities through our own members. I believe that altogether too little time is being allowed for so extensive a task as is assigned to this committee by the resolution. I should like to divide what it is proposed that it shall do. First, this committee is to examine the expenditures defrayed out of money provided by parliament for the defence services. Second, "and for other services directly connected with the war." That could cover the raising of wheat, the production of honey, the production of wool, and so on. Third, "and to report what, if any, economies consistent with the execution of the policy decided by the government may be effected therein."

I agree entirely with the purpose of the committee as set forth in this resolution, but to expect hon. members to accept in sincerity that as being the real purpose of this committee is to execute a farce. This committee has only twenty-four members, and even though it sat every day from now to the end of the year it would have no chance whatsoever of accomplishing any one of these three tasks, let alone all three. I do not wish to be merely critical. I aim not to speak any more in this house than I feel it my duty to do. There are members who talk about the amount of time that we spend talking, but I should like to ask any one of those members who spoke a few moments ago what on earth else they think a member of parliament can do in this house except talk? What is he sent here for if it is not to talk? There is an attitude developing in the minds of members and some people throughout the country, and in certain newspapers, which is altogether subversive to democratic government. I am not in favour of wasting the time of the house or of spending it in unnecessary discussion, but there is business for the members of this house to do. How on earth they can go through a time like this, travelling uncharted ways, without spending time in discussing matters, I should like to have the Toronto *Telegram* and three or four more Canadian newspapers tell me.

Mr. GRAYDON: Leave the *Telegram* alone.

Mr. BLACKMORE: Name any one of them, I do not care which; most of them are tarred with the same brush.

Mr. GRAYDON: The Evening *Telegram* is a great supporter of the working man.

Mr. BLACKMORE: Then let us support the Evening *Telegram*. I have three or four suggestions which may be of value in connection with the work of the war expenditures committee. Could the Prime Minister not arrange it so that the committee would have power to add to its numbers indefinitely? That has not been provided for here. Can not the Prime Minister say to the committee: "Look here, this job we are giving you to do is no joke. We want you to understand you must do this job and do it right, and then come back here and report to this house in a manner that will not only satisfy the house but the country. We will give you all the facilities that will enable you to do that, not only in the amount of time at your disposal, but in the number of members you shall have power to appoint."

I think the suggestion made by the hon. member for Broadview was a good one, that the services of the members of the other house should be used. I do not know what on earth this country is paying the members of the other house $4,000 a year for, if it is not to come here and do something; and why in the world they should not in these times participate in the work of this committee is beyond me. They will have to explain why in order to satisfy me.

Why should the war expenditures committee not have power to add to its numbers indefinitely, from the members not only of this house but of the other house; and if the membership is still thought inadequate, why not bring in public-spirited men from the outside who are prepared to cooperate with the committee?

I must confess that no one, no matter what his previous business may be, can come in here and undertake to deal with the tremendous affairs of a country like this in a time like this without being bewildered by his own inability to comprehend the hugeness of the whole thing, be he as earnest and sincere as he may, and no party in this house lacks either earnestness or sincerity in dealing with the conditions we are facing to-day. Nevertheless we must have some facilities through which to work. Why not let the war expenditures committee be one of these facilities?

Having given the committee power to add to its numbers, the Prime Minister should then say to them: "You are free to sit whenever you like." It will be argued that this would cost a great deal of money, but I do not think any business concern ever lost money by paying it out for adequate supervision, and I do not think this country will lose money by paying it out for adequate supervision of its affairs in these times.

The details of the task of the committee suggest another thought to me. It will be noticed that the committee is to consider contracts which have been awarded. I am really surprised to hear that the contracts let under the Department of Munitions and Supply were not brought under review by the committee of last year.

Mr. MACKENZIE KING: My hon. friend has not been in the house. All that was explained a short time ago. The contracts were under review when the committee met last year. There is no limitation in that respect.

Mr. COLDWELL: We did not reach them.

Mr. BLACKMORE: I beg pardon for bringing up that point on which I should have been better informed, but I was unavoidably out of the house when that explanation was made. I had understood that the committee did not reach those contracts last year.

Mr. THORSON: There were many sessions of the committee devoted to munitions and supply.

Mr. COLDWELL: When?

Mr. THORSON: Right at the commencement.

Mr. COLDWELL: Not to my knowledge.

Mr. FOURNIER (Hull): The hon. member was not on the committee at that time.

Mr. BLACKMORE: I am glad to hear that the committee was more effective than I had been led to believe, but let us hope that it goes even more fully into these matters in future. All one has to do is to look at these thick blue-backed books which are coming to us from time to time, listing the contracts which have been let under the Department of Munitions and Supply, to know that about all the supervision that the committee was able to give to those contracts was what we give to estimates that are being considered in the very hot weather after midnight when we sometimes pass millions of estimates with a wave of the hand. I do not think that is good enough; I should like to see the committee go into these contracts with much greater care.

There is another thing with which I believe the committee should deal. Since arriving in Ottawa in the winter I have had come to my desk about twenty letters, speaking from memory, from various parts of Canada. They are more or less confidential letters, telling me about waste, inefficiency and irregularities in various war activities. I would not blame the government for this at all. I have not risen and said anything on the floor of the house about these complaints. In many instances I have not even spoken to the minister about them, which would be the first thing I would do, for the simple reason that I realize that under the circumstances the minister cannot possibly take care of such matters. But why should not this committee as a part of its work investigate these complaints which are brought to the attention of members of the house? Some of the complaints are very bad; I am sure that if the Prime Minister heard about them, he would have more difficulty in resting at night. But he is not to blame, nor is the Minister of Munitions and Supply (Mr. Howe). The work is so big and the means of control are so meagre, that these things cannot be avoided until they are brought to one's attention. There must be a way of getting around the difficulty. I would suggest that one way is to let the committee consider the complaints which come in to the members of the house, and which they could present to the committee either by word of mouth or by means of the letters.

There is one other matter which was hinted at by the hon. member for Macleod (Mr. Hansell), and that is this—

Mr. SPEAKER: Six o'clock. Does the hon. member wish to move the adjournment of the debate?

On motion of Mr. Blackmore the debate was adjourned.

At six o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, April 30, 1942

The house met at three o'clock.

PRIVILEGE—MR. POULIOT

REFERENCE TO STATEMENT OF MR. RALSTON IN DEBATE ON APRIL 28

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): As a private Liberal member of this hon. house I rise to a question of privilege.

On April 28, Colonel the Hon. J. L. Ralston, Minister of National Defence, is reported at page 1968 of *Hansard* as having spoken as follows:

> There are a certain number of professional soldiers, and thank heaven there are, because we did not treat our professional soldiers any too well, at least during the period when I was Minister of National Defence previously. I take my share of responsibility for that. From 1926 to 1930 the army and national defence services were nearly starved, and I make that statement now. It seemed to me that perhaps the most popular indoor sport in those days was cutting amounts off the estimates for national defence, and the hon. member for Témiscouata did his share of advocating that this be done. Now I say to my hon. friend that in spite of all that, the men who were professional soldiers did keep on.

With regard to the two first above quoted sentences, such a confession of incompetence and incapacity has been delayed for a considerable time indeed, but it had to be made in due course and it is duly acknowledged.

The second part of the above quotation is even more absurd than malicious. Who would believe that the then Minister of National Defence did ever substitute for four years or for a minute the advice of the member for Témiscouata for that of all the pompous brass hats that adorn the Department of National Defence?

What are the facts? The hon. Minister of National Defence was elected for the first time to the House of Commons in September, 1926.

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order. On a question of privilege the hon. member is of course entitled to refute anything that has been said which he thinks is a breach of the privileges of hon. members, but I would not wish the hon. member to think that he can make an extended argument—

Mr. POULIOT: I am not making an argument, Mr. Speaker; I am stating facts.

Mr. CRUICKSHANK: You certainly are.

Mr. POULIOT: My hon. friend should keep quiet and listen to learn what I am doing now. I am not making an argument; I am stating facts, which is the privilege of an hon. member. I do not contend that any hon. member is supposed to withdraw what he said about another hon. member if he does not use unparliamentary language, but when a statement of fact is made in relation to an hon. member, that member unquestionably has the right to state the relevant facts as he sees them, and that is what I am doing now.

Mr. CRUICKSHANK: Make it short.

Mr. POULIOT: Between September 1926 and 1930 there were four sessions of parliament. I have the index of *Hansard* for each of those sessions, and in those for 1926-27 and 1929 I challenge the minister to find anything that I said concerning his department. The only question that I asked him in the session of 1928 was on the estimates and in connection with the establishment of a landing field at Rivière du Loup. The minister answered that he had nothing to do with it. That was all for that year.

With regard to the session of 1930, in order to prepare my speech on Mr. Bennett's amendment to the budget I had asked all the cabinet ministers what they considered their greatest accomplishments, and I assumed personal responsibility for what the Minister of National Defence and his colleagues told me when I included their notes in my speech to boost my party before the general elections of that year.

I have sent the four *Hansard* indexes of those sessions to the Minister of National Defence, and they are on his desk. I challenge him to prove his erroneous contention that the hon. member for Témiscouata did his share of advocating the most popular indoor sport in those days, cutting amounts off from the estimates for national defence.

With regard to the last sentence of the above quotation, the truth shall never be falsified even by a self-centred miniature navel of the whole world.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, the hon. member has been speaking in the light of the privilege which he has as a member of this house, and he has also been speaking on a question of privilege. In so doing he referred to members of the staff of the Department of National Defence as "pompous brass hats". I submit, Mr. Speaker, that at this time when many of those members are offering their lives on the field of battle this house should not countenance a characterization of the kind in these halls of parliament. I think, Mr. Speaker, you would be justified in asking that those words should be withdrawn by the hon. member.

Mr. SPEAKER: I did notice with regret that remark made by the hon. member; I thought it was uncalled for and contrary to the sense of the house of which he is a member. I agree with the Prime Minister (Mr. Mackenzie King) that the statement should be withdrawn, not only in justice to the members of the forces but also in justice to the hon. member himself.

Mr. POULIOT: I would ask, under what rule?

Mr. SPEAKER: The ordinary rules which obtain in debates in this house, that persons who are not in a position to defend themselves here should not have a derogatory statement of this kind go out to the country as an expression of the views of this house. I think the hon. member should withdraw.

Mr. POULIOT: If that is your ruling, sir, I bow to it.

REPORTS OF COMMITTEES

Second report of special committee on reconstruction and reestablishment.—Mr. Turgeon.

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

RAILWAYS AND SHIPPING

Mr. J. P. HOWDEN (St. Boniface) presented the first report of the standing committee on railways and shipping owned, operated and controlled by the government, and moved that the report be concurred in.

[Mr. Pouliot.]

Hon. R. B. HANSON (Leader of the Opposition): I rise not for the purpose of opposing this motion, which of course is purely pro forma, but to call attention to the fact that a large number of committees are now meeting simultaneously and, as has been represented to me, it is obviously impossible for hon. members who serve on more than one committee to attend the meetings of committees which occur at the same time. I merely ask that some provision be made for staggering the meetings of committees so that hon. members who are on more than one may have the opportunity of attending and taking part in the proceedings of those committees. These reports are illustrative of what I have in mind, and if you will look at the *Votes and Proceedings* you will see that many of these committees are meeting at the same time. Members of our party particularly, since we have a limited number, cannot possibly perform their duties when they are members of committees which meet at the same time, and I would ask the minister who is looking after the distribution of the business of the committees, if I may so describe it, to see that the meetings are staggered.

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health): That is being attended to. The chairmen of the various committees have been asked to meet together and arrange their work accordingly.

Motion agreed to.

CANTEEN FUNDS

Mr. W. R. MACDONALD (Brantford City) presented the first report of the special committee on canteen funds, and moved that the report be concurred in.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

TUG "BALLY"

Mr. McGREGOR:

1. What vessel was purchased by the Department of National Defence for Naval Services to replace the tug *Bally*?
2. From whom was she purchased?
3. At what date was she purchased?
4. What was the total purchase price?

Mr. MACDONALD (Kingston City).

1. *Restico.*
2. Restigouche Power and Paper Company.
3. July 3, 1941.
4. $11,000.

ALASKA HIGHWAY

Mr. DIEFENBAKER:

1. Is any portion of the Alaska highway to be constructed by Canada, or under the authority of the government of Canada?
2. If so, how many miles and what is the location thereof?
3. Upon what basis are the contracts to be awarded?
4. Have any contracts been awarded as yet? If so, to whom?

Mr. MACKENZIE KING:

1. The United States government, by agreement with the Canadian government, has undertaken the building and war-time maintenance of the Alaska highway from Fort St. John to Fairbanks. Present plans provide for the construction of a pioneer road which will be built by the United States using United States troops for surveys and initial construction. The highway will be completed under contracts made by the United States public roads administration and awarded with a view to insuring the execution of all contracts in the shortest possible time without regard to whether the contractors are Canadian or American. No portion of the highway is to be constructed by Canada.

2, 3 and 4 answered by No. 1.

SASKATCHEWAN PENITENTIARY—SCRAP IRON OR STEEL

Mr. DIEFENBAKER:

1. Did the Department of Justice during the year 1941 sell or dispose of any scrap iron or steel accumulated in the Saskatchewan penitentiary?
2. If so, to whom and what was the amount thereof and the price per ton realized therefor?

Mr. ST. LAURENT:

1. Yes.
2. Saskatoon Metal Company, Saskatoon, Sask., on salvage minutes 16848 and 17046, through salvage office, Department of Finance:

23,190 lbs. wrought iron, mostly pipe, $2 ton	$ 23 19
40,365 lbs. cast iron, $6 ton	121 10
600 lbs. cast iron lasts, last stand, etc., ½c lb.	3 00
2,490 lbs. scrap steel, $2 ton	2 49
	$ 149 78

SHIPMENTS OF CATTLE AND MEAT PRODUCTS TO THE UNITED STATES

Mr. DIEFENBAKER:

1. How many head of cattle have been shipped to the United States in each month between July 1, 1941, and the date hereof?
2. What was the corresponding export during the said months in each of the years 1939 and 1940?
3. How many pounds of beef and meat products were shipped to the United States during each of said months and years?

Mr. MacKINNON (Edmonton West):

1 and 2. Exports of cattle to the United States:

Month	1939 No.	1940 No.	1941 No.
July	43,402	21,024	30,748
August	28,918	22,992	28,242
September	16,360	21,540	25,079
October	23,647	19,751	28,638
November	22,048	25,810	18,505
December	6,122	8,924	23,292
	1940	1941	1942
January	10,178	16,950	37,561
February	8,434	12,066	16,772
March	12,700	9,086	10,191

3. Exports of beef, fresh, to the United States:

	1939 100 lb.	1940 100 lb.	1941 100 lb.
July	876	696	81
August	939	167	43
September	895	454	13
October	362	317	272
November	46	73	982
December	39	1,218	6,124
	1940	1941	1942
January	361	304	15,898
February	226	121	12,204
March	247	98	13,050

Other exports of meat to United States:

	1939 100 lb.	1940 100 lb.	1941 100 lb.
July	2,809	2,634	18,303
August	1,855	5,913	2,169
September	2,682	4,586	3,226
October	4,604	6,699	2,106
November	3,845	7,425	2,742
December	3,788	6,787	4,209
	1940	1941	1942
January	2,910	12,725	4,882
February	3,278	17,325	4,275
March	3,153	18,587	3,094

MAGDALEN ISLANDS SHIPPING SERVICES

Mr. ROY:

1. Does the government give subsidies or grants to shipping companies for services with Magdalen islands, Quebec?
2. If so, what are these subsidies or grants, to which companies have they been given, and for what services?

Mr. MacKINNON (Edmonton West):

1. Yes.
2. The Lovat Steamship Company, Limited, of Halifax, N.S., has been subsidized for a number of years past for a service between Pictou, Souris and the Magdalen islands, during the season of navigation in each year. The

subsidy paid in 1941-42 was $42,500. The service consisted of two trips a week from the opening of navigation until the end of November, and one trip a week in December, with trips from the Magdalen islands to Halifax every three weeks, at the contractor's option.

The service is being continued during the present season, with the exception of the Halifax trips, but the contract has not yet been completed.

The Clarke Steamship Company's subsidized service between Montreal, Quebec and Gaspe extends its trips every two weeks from Gaspe to the Magdalen islands, but this extension is not subsidized by the federal government.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CANADIAN NAVAL COLLEGE

Mr. CHURCH:

1. Has the Minister of Naval Services any statement to make as to the opening of the naval college and has his attention been called to a statement of the First Lord of the Admiralty on March 11, last, as to the condition of the personnel and their avenues of promotion and standards of training in the Royal Navy?

2. What provision will be made by way of aid or scholarships or otherwise, in secondary Canadian schools to those whose parents cannot afford expensive training, to attract the youth of Canada to service in our navy and merchant marine?

3. What is the method of selection now in vogue?

4. Who are the staff of the college and what actual naval experience have they had either in the Royal or Canadian navies or merchant marine at sea?

Mr. MACDONALD (Kingston City): Return tabled.

UNEMPLOYMENT

Mr. HANSELL:

1. What is the number of unemployed in each Canadian city, of a population of ten thousand or over?

2. How many in each of these cities are receiving direct relief?

MAGDALEN ISLANDS AIR SERVICES

Mr. ROY:

1. Are there any air line companies receiving grants, subsidies or allowances for certain services in Magdalen islands, Quebec?

2. If so, what are these companies and what amounts are they receiving or have they received and for what reason?

[Mr. J. A. MacKinnon.]

PRIVILEGE—MR. ESLING

OBJECTION TO REMOVAL OF JAPANESE NATIONALS TO MUNICIPALITY OF KASLO, B.C

Mr. W. K. ESLING (Kootenay West): On a question of privilege, Mr. Speaker, I would ask to be permitted to make a statement on a matter of immediate and vital importance to my riding. As is well known, there is in progress a movement of Japanese from the British Columbia coast to areas east of the Cascade mountains. According to a Canadian Press report from Vancouver under date of March 10, the chairman of the British Columbia security commission, under whose direction the movement is being carried out, is credited with the statement that Japanese will not be moved to any area until opinion is unanimously in favour of that being done.

Recently officials at Kaslo, a community on Kootenay Lake, invited the chairman to send a contingent of Japanese into that city, and preparations are now under way for the housing of women, children and aged Japanese men. On the other hand I have a protest signed by 112 Kaslo citizens protesting vigorously against the bringing in of the Japanese. In last year's census Kaslo was recorded as having a population of 463. In the opinion of the dominion statistician 30 to 40 per cent is a conservative estimate of the proportion of children in a municipal census. It may be accepted therefore that the 112 who protested are a representative proportion of the adult community. It is in order that we might avoid factional feelings, ill will and perhaps bitterness that I have been requested by those who protest to ask the Prime Minister (Mr. Mackenzie King) and the Minister of Labour (Mr. Mitchell) to interest themselves in this matter, in the light of the statement by the chairman that these Japanese would not be placed in any community without unanimous approval.

This matter is of real importance not only in its relation to Kaslo but in its relation to other communities. Perhaps the difficulty has arisen because of the original statement that the northern boundary of the prohibited area in West Kootenay was to be the fiftieth parallel. In that event Kaslo would have been included in the prohibited area. But for some reason perhaps best known to the Minister of Justice that area was changed; thus we have the difficulty to which I direct the attention of the government.

Hon. HUMPHREY MITCHELL (Minister of Labour): It is difficult to get unanimous agreement to put the Japanese anywhere. I believe in almost all cases where we have

been able to move them there has been a considerable body of opinion against their being moved to particular localities. In view of the situation at the coast I think in the national interest too much notice should not be taken of that.

A request came from the board of trade of the district to which the hon. member has referred, and there was a further request from the mayor of that community. I believe it would be fair to say that Kaslo is what might be known as a ghost town. A number of ghost towns in that area sent in requests—four of them, to be exact—that the Japanese be removed to those communities. The commission sent in an inspector, and after investigation contracts were let for the repair of houses in which Japanese women and children could be placed. It is estimated that we can put about 5,000 persons in those particular communities.

I have been out there and looked over the ground, and it does make it very difficult for those charged with the responsibility of facing up to this problem when it is found that everyone wants them to go but no one wants to take them. A decision has to be made by somebody, and in the light of all the facts I can think of no better place to put those Japanese than in the ghost towns to which I have just referred. The climate there is comparatively good; the Japanese women and children will be treated well, and there will be ample protection. It should be remembered by hon. gentlemen that we are removing Japanese to other provinces, and we have had similar objections from certain quarters. But if this movement is to become effective in the most dangerous areas we must at times overlook some of the objections raised.

So far as I am personally concerned, as I said before I do not know of any better place than those ghost towns up in the Crow Valley to which these women and children might be moved. All facilities are available; it will be comparatively easy to carry on the education of the children, and all necessary sanitation and housing facilities are there. The houses need only a little repair, and when that is done those people will be out of harm's way. In view of the requests received and the investigations we have made I do not think that at this time we should be asked to change our decision in the matter.

Mr. BLACKMORE: Would the minister care to tell the house whether or not the dominion government has assumed responsibility for the expense of educating the children of these Japanese people? Obviously if a considerable number of people are brought into a community the local people will object on the ground that there must be increased school facilities. Again, who assumes the responsibility for looking after these people after they have been placed in those communities? Does the dominion government shoulder the financial responsibility, or must the province do so?

Mr. MITCHELL: The dominion government.

DEFENCE OF CANADA REGULATIONS

QUESTION AS TO APPOINTMENT OF SPECIAL COMMITTEE

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I should like to ask a question of the Prime Minister. The special committee to consider and review the defence of Canada regulations presented its report to the house on June 4 of last year. In that report was the following recommendation:

> 11. Your committee recommends that for the duration of the war a special committee of the house should be appointed at each session to consider and review the defence of Canada regulations and matters incidental thereto.

Having in mind particularly the fact that there has been a change in the head of the department since those recommendations were made, does the government contemplate the establishment of such a committee, as recommended?

Mr. MACKENZIE KING: I will answer in the affirmative, yes.

HOUSING

INQUIRY AS TO OPERATIONS UNDER EXISTING ACTS

On the orders of the day:

Mr. T. L. CHURCH (Broadview): Mr. Speaker, as to-morrow is the first day of May, I should like to know if the government is in a position to make any announcement about the housing situation, first under the Dominion Housing Act and, secondly, with respect to taking care of the soldiers under the war-time legislation.

Mr. MACKENZIE KING: My hon. friend's question had better stand as notice.

Hon. J. L. ILSLEY (Minister of Finance): Mr. Speaker, yesterday the hon. member sent me notice of the question he has just asked. It is an important one, and raises a question with respect to additional moneys which will have to be appropriated to carry on operations under the Dominion Housing Act. That matter

is not yet definitely settled, but I believe I shall be able to make a statement in regard to it within about a week.

The remainder of the hon. member's question relates to the department headed by my colleague the Minister of Munitions and Supply (Mr. Howe), under whose jurisdiction Wartime Housing Limited operates. I do not believe he has had notice of the question. It may be that he would like to look at it and, if he so desires, he could make a statement later.

POSSIBILITY OF REVIVAL OF HOME IMPROVEMENT PLAN

Mr. LOCKHART: As the Minister of Finance in his annual review will no doubt be making a statement on the housing situation, would he give consideration to commenting on the possibility of reestablishing some form of home improvement plan to help relieve certain aspects of the housing situation?

Mr. ILSLEY: Yes, I will give consideration to that matter and make a statement with regard to it as well.

LABOUR CONDITIONS

CURTAILMENT OF SHIFTS AT TRENTON SHELL PLANT

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): I should like to ask a question of the Minister of Munitions and Supply, of which I sent the minister notice on Tuesday. This matter arises out of a telegram which I have received from the secretary of the steel workers union in New Glasgow, Nova Scotia. It states that work at the shell plant in Trenton was being curtailed to two shifts of eight hours a day each, because one company finishing shell forgings had cut down on its order. Can the minister explain why a plant working on shell forging parts should curtail its orders at this time?

Hon. C. D. HOWE (Minister of Munitions and Supply): I have a report from my office on the subject matter of that wire and my advice is that this plant has always worked two shifts a day, that it was organized on that basis. Our total requirements of forgings of the size in question are 20,000 a month. These are being provided currently and have been right along on the basis of two shifts. This production of 20,000 forgings a month takes care of all our requirements for finished shells.

[Mr. Ilsley.]

STRIKE OF EMPLOYEES OF BANQUE CANADIENNE NATIONALE IN MONTREAL

On the orders of the day.

Mr. ANGUS MacINNIS (Vancouver East): I have just been informed by telephone from Montreal that the employees of the Banque Canadienne Nationale have gone on strike this morning. The immediate cause of the strike is the refusal of the management to negotiate with the representatives of the employees, and of the regional war labour board to set a date to hear their grievance. I should like to ask the Minister of Labour if his office is aware of the situation and if he will see that the rights of these employees under the special legislation are properly looked after.

Hon. HUMPHREY MITCHELL (Minister of Labour): I have knowledge of the strike at this particular bank. On the 28th of this month Mr. Pat Conroy of the Canadian Congress of Labour stated that they were having some difficulty in negotiating with the bank. Through the agency of the conciliation staff of the Department of Labour a meeting was arranged. I understand that this was the first time they had sat down with the management of that institution, but unfortunately no agreement could be arrived at. I say "unfortunately" because of this day and age. I would point out that while this matter does not fall primarily within the jurisdiction of the federal government, we felt that if we could be of any assistance in conciliating this dispute we would be ready to give it. With regard to the other question raised by my hon. friend, I shall be glad to bring it to the attention of the Quebec regional board.

ALLEGED INTIMIDATION OF UNION WORKERS BY MOUNTED POLICE

On the orders of the day:

Hon. L. S. St. LAURENT (Minister of Justice): Mr. Speaker, on the 23rd of April the hon. member for Vancouver East (Mr. MacInnis) asked a question arising out of complaints he had received from one Allan C. Wright, Canadian Congress of Labour organizer at Vancouver, alleging intimidation by the Royal Canadian Mounted Police in connection with the examination of his registration card, and also in connection with the conduct of one security officer in the plant of the Dominion Bridge company. I stated at the time that I would have an investigation made and give the result of the investigation as soon as it was available.

An investigation has been conducted and has established that Allan C. Wright's registration card was examined by members of the Royal Canadian Mounted Police at the request of the divisional registrar, Department of National War Services, Vancouver, as a routine check-up. Mr. Wright was not intimidated, no other matter was discussed, and he did not offer any objections.

In connection with the allegation that employees of the Dominion Bridge company, Vancouver, have been intimidated by a plant security officer and questioned regarding union membership, an investigation established that this complaint has no foundation in fact. No restrictions have been placed on any employees at the plant of the Dominion Bridge company, and access to the plant has not been denied to any accredited trade union organizer. Furthermore, the Royal Canadian Mounted Police have no connection with this matter. If the hon. member wishes to have full details of the investigation I have made I shall be very glad to communicate them to him.

FOOD AND DRUGS ACT

"JOHN DE KUYPER"—QUESTION WITH RESPECT TO ADVERTISING AS GIN

On the orders of the day.

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Return No. 303D of June 5, 1941, states that it is not permissible at any time to call de Kuyper's gin, a gin. I was greatly surprised to see an advertisement in the Montreal *Standard* of April 25 describing this concoction as gin. I ask the minister if he will be kind enough to submit this matter to his colleague, the Minister of Justice (Mr. St. Laurent), for a legal opinion at the earliest possible opportunity.

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health): My attention has not been drawn to the publicity referred to by the hon. member, but I shall act immediately on his suggestion.

HOUSE OF COMMONS

AUDIBILITY IN THE CHAMBER—SUGGESTED INSTALLATION OF LOUD SPEAKERS

On the orders of the day:

Mr. J. K. BLAIR (Wellington North): I should like to direct the attention of the ministry to the fact that 75 per cent of the members in this house do not hear what is said in this chamber. I do not think we can accuse the ministers of not speaking clearly, but there should be a loud speaker on the desk of every minister. When certain ministers are speaking I can hear what they say, but when other ministers are speaking I cannot hear a word. I am sure that this house would heartily approve of having a loud speaker on the desk of every minister so that we may be able to hear what is going on.

TAXATION

CONCESSION TO ENCOURAGE PROSPECTING FOR BASE METALS AND STRATEGIC MATERIALS

On the orders of the day:

Hon. J. L. ILSLEY (Minister of Finance): I should like to make a brief announcement of a tax concession which will be contained in the budget and which is designed to encourage prospecting in Canada for base metals and strategic materials. Certain of these metals, such as tungsten, chromite, molybdenum and manganese, for example, are vitally necessary in our war equipment and in manufacturing processes. The demand for them may increase sharply. Some present sources of supply hinge upon precarious ocean transportation. We must cut down wherever possible the risk of failure of supply. It is more than possible that we have undiscovered sources of these metals right under our very door-steps. It would be inexcusable to neglect this possibility, and the government has decided to assist in the search for these metals.

The tax concession, which will be available to both individuals and corporations, will be in the form of an allowance against income for income and excess profits tax purposes in respect of amounts contributed to prospecting syndicates registered with provincial authorities. A person may not claim an allowance of more than $500 in respect of any one syndicate, and there will be an over-all limit of $5,000 on the total amount which one person may claim. This would allow a person to participate up to $500 in each of ten syndicates. These allowances will be subject to the provision that in no case shall the tax saving to any person by reason of the allowance exceed 40 per cent of the amount of deductions. In addition, in registered prospecting syndicates it is proposed to allow mining companies and bona fide exploration companies a deduction up to $5,000 for

expenditure in sending out their own prospectors. This allowance shall also be subject to the 40 per cent limitation on tax saving previously referred to.

The syndicates and companies would be required to satisfy the Minister of National Revenue that they had been actively engaged in prospecting for the metals and minerals in question under qualified persons during a substantial part of the 1942 season, and in the case of syndicates that they had carried out the purpose for which they were formed. An audited statement of expenditure will be required. These tax concessions will be given for one year only and will apply in respect of income for 1942. I am making this statement now because this prospecting should begin at once.

GASOLINE

RULING OF OIL CONTROLLER RESPECTING RATION UNITS UNDER CATEGORY A

On the orders of the day:

Hon. H. A. BRUCE (Parkdale): I should like to ask a question of the Minister of Munitions and Supply. In view of the ruling of the oil controller in respect to category A, that twenty-four units must be used in the summer months and only eight in the winter months, which will make it necessary for people with permanent homes in the country and offices in the city to close those homes in the winter and move into the city, will the minister look into the matter and see if this ruling can be changed so that these units may be available all the year round?

Hon. C. D. HOWE (Minister of Munitions and Supply): I feel quite sure that my hon. friend's interpretation of the ruling is not correct, but I shall refer the matter to the oil controller.

RADIO BROADCASTING

ORGANIZATION AND FUNCTIONING OF SELECT COMMITTEE

On the orders of the day:

Mr. GORDON GRAYDON (Peel): I should like to ask the Minister of National War Services why the radio broadcasting committee, which was set up on March 13, has not yet been organized. When may we expect this committee to begin its work? I think we ought to have some explanation as to why it has not been set up before this?

[Mr. Ilsley.]

Hon. J. T. THORSON (Minister of National War Services): The committee will meet early next week.

WHEAT ACREAGE REDUCTION BONUS

STATEMENT WITH RESPECT TO PAYMENTS OF $5,000 AND UPWARDS

On the orders of the day:

Hon. J. G. GARDINER (Minister of Agriculture): Yesterday I agreed that when we reached the orders of the day I would give certain information with regard to payments under the wheat acreage reduction plan. With your permission, Mr. Speaker, and the permission of the house, if I may give this information without prejudice or without setting a precedent for the bringing down of lists of names in answer to questions on matters of this kind, I should like to give this information now.

The information desired is with regard to the persons who received payments of $5,000 and upwards under the wheat acreage reduction plan. It will be recalled by the house that under the regulations of last year provision was made for payment to any person who reduced his wheat acreage in the western provinces in the year 1941 as compared with an established acreage for the year 1940. There were seven cheques issued which exceeded $5,000 in amount, and the information desired was the names of the persons to whom these payments were made and their addresses.

The first name on the list which I have in my hand is Mrs. Marie Wilson, of Harris, Saskatchewan. The total decrease of wheat acreage made on the farms of Mrs. Wilson was 3,170 acres. The total number of acres of the reduced acreage that was placed in coarse grains was 977, which at $2 per acre amounted to $1,954; and in summer-fallow, 2,193 acres at $4, which amounted to $8,772, or a total of $10,726.

The second on the list is the Canada Permanent Mortgage company. The payments made appear on the list as having been made through the Regina office, although I think the head office of this company is in Toronto. This payment covers 218 farms located throughout the prairie provinces which I think are operated under a central organization that has been set up by the Canada Permanent Mortgage company. It is not for any one single farm. The total reduction in acreage made by the company

on these farms was 20,320 acres. Coarse grains were seeded to 9,047 acres, which at $2 per acre made a total of $18,094; summer-fallow, 11,273 acres, which at $4 amounted to $45,092, or a total on the 218 farms of $63,186.

The next name on the list is G. H. Wesley, of Wrentham, Alberta. I am not familiar personally with the facts of this case. I do not know whether Mr. Wesley is an individual farmer or a man who operates a farm on a company basis, but the payment was made to Mr. G. H. Wesley, of Wrentham, Alberta. The number of acres put into coarse grains was 615, which at $2 amounted to $1,230; grass, 50 acres at $2, amounting to $100; summer-fallow, 3,145 acres at $4, or $12,580, making a total of $13,910 for a wheat acreage reduction of 3,810 acres.

Next on the list is Noble Farms Ltd., Nobleford, Alberta. The number of acres put into coarse grains was 149, which at $2 amounted to $298; summer-fallow, 2,635 acres at $4, $10,540, or a total of $10,838 for a reduced wheat acreage of 2,784.

J. T. Heninger, Lucky Strike, Alberta, put into grass 138 acres, which at $2 amounted to $276; summer-fallow, 1,441 acres at $4, or $5,764, making a total of $6,040 for a total wheat acreage reduction of 1,479.

H. Newfeld, of Lethbridge, Alberta, put into summer-fallow 2,250 acres, which at $4 amounted to $9,000. His wheat acreage reduction was 2,250 acres.

Wm. Kynock, of Maybutt, Alberta, put into coarse grains 805 acres, which at $2 amounted to $1,610; summer-fallow, 1,793 acres at $4, or $7,172, making a total of $8,782 for a total wheat acreage reduction of 2,598 acres.

HONG KONG COMMISSION

INQUIRY AS TO PRESENTATION OF REPORT

On the orders of the day:

Mr. T. C. DOUGLAS (Weyburn): I should like to address a question to the Prime Minister. Will he tell the house when we may expect the report of the royal commission set up to investigate the Hong Kong expedition? The commission in the United States which was appointed to investigate the Pearl Harbour bombing flew to Pearl Harbour and tabled its report with the President of the United States on January 24. I imagine that most of the members of the house would like to have the report on the Hong Kong expedition as soon as possible.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The entire proceedings of the Hong Kong inquiry have been under the direction and complete control of the Chief Justice of Canada. The Chief Justice has been giving his time continuously to the inquiry. I believe he has of necessity experienced delays in obtaining some of the evidence which had to be obtained from a distance and there may be other reasons as well, but I understand that he expects to be able to present his report to the government very shortly. As soon as it is received it will be tabled.

THE MINISTRY

REPRESENTATION OF THE PROVINCE OF QUEBEC

On the orders of the day:

Mr. LIGUORI LACOMBE (Laval-Two Mountains): I should like to direct a question to the Prime Minister. Is it the government's intention at this decisive hour to grant immediately to the province of Quebec the representation in the cabinet to which it is entitled?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, that matter is being carefully considered, I may say.

WAR EXPENDITURES

APPOINTMENT OF SPECIAL COMMITTEE

The house resumed, from Wednesday, April 29, consideration of the motion of Mr. Mackenzie King for the appointment of a committee on war expenditures.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, when the debate was adjourned yesterday I was giving some attention to the apparent duties of the committee according to the somewhat indefinite wording which I find in the resolution, and making suggestions as to how the committee's effectiveness might be improved. I should like briefly to refer to one item which I did not take time to cover yesterday, and after that I shall be done with this question. I refer to the words:

—to report what, if any, economies consistent with the execution of the policy decided by the government may be effected therein,

As these words stand, they are capable of an exceedingly wide interpretation. If I understand aright, the government's policy is to have a total war effort. In order to have a total war effort a great many things

require attention in Canada which at the present time are not being considered. I do not suppose the Prime Minister has in mind the inclusion of all the subjects which could properly occupy the attention of the committee, but may I just suggest one. In order to have a total war effort it is extremely necessary that we should have a high degree of morale in the country. While this is not the place to discuss the question—I intend merely to refer to it very briefly—matters of this kind ought to come before some committee somewhere. I have in mind the question of non-pensioned veterans' war widows. This properly comes under the scope of other committees, but it is not specifically pointed out what this committee shall cover, and the war widows have been presenting their case for a good deal of time now. When veterans who are receiving war veterans' allowance die, the widows, no matter in what condition they may be, according to the information I have, are deprived of the income. The result is that we are causing a great many people in Canada to feel exceedingly unhappy, and that unhappiness is spreading in a way which is not building up the morale of the people at home or of the troops.

That is just one matter. I referred yesterday to the fact that the committee's duties might easily involve the consideration of the production of food and clothing and many other things. However, in the interests of cutting short the discussion so that the government may go on with its business, I will defer until some other time anything else I may have to say.

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, when the hon. member for Rosetown-Biggar (Mr. Coldwell) was speaking yesterday afternoon he mentioned that the war expenditures committee had not investigated any of the war contracts. It was my understanding, as I looked across at the Minister of National War Services (Mr. Thorson), who was chairman of that committee last year, that he did not agree with that point of view and insisted that war contracts had been investigated. Now I have every regard for the minister, but, so far as my observation goes I must disagree with him. I was on the committee during the session of 1941, and no contracts were investigated at that time—that is, up to June 3. I was not present at the sittings of the committee between July 7 and August 21, but my reading of the report leads me to believe that no specific contracts were examined. Yesterday the Department of Munitions and Supply was specifically mentioned, and my understanding is that the chairman of the committee at that time said that contracts were investigated. I must repeat that while I was attending the sessions of the committee, contracts were not investigated. We did investigate the procedure. We had the deputy minister of the Department of Munitions and Supply before us, and I really believe, in view of all the circumstances, we expended too much time on acquiring information on the procedure followed from the time the Department of Munitions and Supply gets a request for material from any of the other departments. If my interpretation of the department's function is correct, it is largely a purchasing department. Orders do not initiate within that department; they come from some other department. I was on subcommittee No. 3, of which the Minister of National War Services was chairman. All our time was taken up with the investigating of the financial controls and the financial set-up in the various branches of the armed forces. I believe that the work was worth while and that good did accrue from it.

I have in my hand the report which was tabled on November 3 of last year. From a reading of it I cannot see that any contract as such was investigated by any of the subcommittees or by the committee as a whole. Subcommittee No. 1 dealt with precisely the same matters while it sat during the recess as it did while the house was in session—that is, contracts for civilian flying clubs, associations or companies, airports, aerodromes or air force building construction, specification or design, or such projects or inspection thereof during construction.

While the methods of calling for tenders and such things were examined, no specific contract was examined, so far as I can find. The paragraph in the report of this subcommittee dealing with those contracts reads as follows:

> The subcommittee finds that great care is exercised to assure secrecy of bids and assure competitive bidding. The subcommittee finds contracts are let on a lump sum basis or on a unit basis depending upon the nature of the work to be done. The subcommittee also finds that where all of the tenders are considered to be too high the contract is not awarded until tenders are again called for. In every instance the contract is awarded to the lowest bidder. Before the contracts are awarded the whole project is checked by the timber controller's office and the tenders are also submitted to the defence department interested for its approval. The subcommittee finds that the construction branch of the Department of Munitions and Supply is very efficiently managed and that precautions are taken to protect the public interest. During the year 1940 something over 92 million dollars worth of buildings were constructed.

This is clear proof that it was not the specific contracts that were examined, but the method and the procedure by which contracts were let.

Mr. MacNICOL: Then what did the committee do?

Mr. MacINNIS: Just what I said; it examined procedure. And there may have been a great deal to do in that regard. I want it to be quite clear that I am not finding fault with what the committee did; I am simply pointing out what the committee did not do, and it needs to be done.

Subcommittee No. 2 dealt with the matter of medical, dental and hospital services, also I believe with the matter of salvage and such things. Subcommittee No. 3 dealt with precisely the same matters as we dealt with when the house was in session last spring and summer. The three parts of the report are as follows:

Part 1 deals with the recommendations and principles enunciated in the interim report of former subcommittee No. 3.

Part 2 deals with the recommendations by the subcommittee in the light of the evidence submitted to it.

Part 3 deals with the evidence before the present subcommittee. It is an insight of the financial controls and checks operating within the Department of National Defence.

These are the matters that were investigated during the time the committee sat in 1941. While it was desirable to do this as a preliminary, I think a wider and more specific investigation should be carried out. It is more than time that we had a specific investigation of contracts, if for no other reason than to allay the suspicion that all is not well in our war production.

I think almost everyone admits the need for this committee. The Prime Minister, when proposing the committee to the house last year, stressed the desirability of having such a committee functioning. But there is a contradiction between this admission and the reluctance to start the committee going and the seeming hesitancy about having it investigate these very important matters. It is most desirable that the committee meet this year without delay. It should investigate and report on specific contracts that may be brought to its attention so that the public may be assured that no one is making financial gain out of the distress of the people at this time. A further function would be a continuation of what we did last year in regard to promoting thrift and efficiency in the organization and handling of our war production. As was pointed out yesterday by the hon. member for Weyburn (Mr. Douglas), such reports and such scrutiny would have an important effect on the morale of the people of this country.

It cannot be denied that in the setting up of war organizations and war boards almost the whole control has been put in the hands of big business and its representatives. This is a standing disgrace to the government. I wonder if this government remembers the investigation that was made by a committee of the house in 1934 into the activities of business organizations in Canada. Do they remember what was brought out and not contradicted? Have they forgotten the price spreads commission? I have under my hand a typical case of the kind of appointments made to responsible positions. Someone forwarded to me a press clipping from New Westminster referring to the appointment of a man to a position in the Royal Canadian Air Force. The headline reads:

Byron Johnson gets R.C.A.F. building post.

The item gives Mr. Johnson's biography. Let me read it:

Byron Johnson of New Westminster has been appointed representative of Hon. C. G. Power, air minister, in connection with the building of new air bases forming part of Canada's air defence programme, the Royal Canadian Air Force announced yesterday.

Mr. Johnson will act as technical adviser to the minister and deputy minister, S. L. de Carteret, reporting directly to Ottawa on the progress of various aerodromes and buildings in course of construction for the R.C.A.F., particularly in western Canada.

Here are his qualifications:

Mr. Johnson has been loaned to the dominion government by the firms with which he is associated. He is managing director of Gilley Brothers, Limited, and vice-president and director Evans, Coleman and Gilley Brothers, Limited, of New Westminster.

One of these is a fuel company and the other deals in lumber and building materials.

He has had long experience in operation of quarries, gravel pits, dredges and towboats and in the contracting industry.

Evidently this man's experience in dredging, quarries, tugboats and such things has eminently fitted him to be a supervisor of the building of airports. This is something that is continually going on, and it is sapping the morale of the people of Canada, to the extent that almost every person you meet is so cynical that people are just ready for anything. When people get to the state that they say nothing matters, then nothing does matter; they are ready for fascism or for anything that may come. This is what

happened to the people in many parts of Europe. They lost faith in their government; they took the attitude that things could not be any worse than they were. It was not true, of course; things could be worse, but things were so bad that the people believed that when they were told it.

Then we have the investigations that are taking place in the United States into what the Standard Oil people have been doing. These matters have appeared in Canadian newspapers, and people realize that there is a very close association not only between big business in Canada and big business in the United States but between big business all over the world. According to the *New Statesman and Nation,* of London, under date of April 4, in the course of evidence given by the representative of Standard Oil this came out:

> Later in the year Standard Oil made arrangements with Mitsui of Japan, because, as it delicately put it, "As we fear the U.S. government, in the near future, may have grounds for action unfavourable to American and British trade, we consider it timely to organize with our Japanese partners."

In other words these representatives of big business realized that if hostilities broke out between the United States and Japan there would be a blockade, and they were getting ready to break the blockade. Let us remember also the evidence that came out after the last war with regard to the Briey iron mines in France, which were neither bombed nor attacked by artillery during the entire period of the war, and in which British, German and French investment was recognized and respected by all the belligerents.

These are facts which we must keep in mind. I suggest that this committee get to work as quickly as possible, and look into specific contracts. I doubt if there is a member of this house, at least on the opposition side, who has not had a number of contracts drawn to his attention in connection with which everything does not seem to be quite right. These contracts should be brought before the committee and investigated in every detail. I am satisfied that such an investigation will have a good effect upon the morale of our people, and will enable us to fight this war to a successful conclusion.

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, I was a member of the committee that was set up last year, and I attended its meetings not only while the house was sitting but also during a portion of the time it sat during the recess. I have a few suggestions to offer which occurred to me during the sittings of the committee, as well as certain criticisms in regard to the set-up of the committee. I am one of those who believe the committee had a great work to do, and I think the challenge to do that work is still before the members of the committee which will function during the present session, to contribute something worth while to reassure the people of Canada and to increase the morale of this nation.

At the outset I must frankly say as a member of that committee that I do not believe the committee discharged the responsibility which was placed upon it. I was on the subcommittee that dealt with air matters; with contracts with civilian flying clubs, associations and companies, and also with army, navy and air force buildings, construction, and so on. With regard to my relationship to the other members of the committee, I shall always look back upon it as a very happy experience. Let us look at the number of contracts that have been awarded since the outbreak of this war. I do not know the figure at the moment, because there has been no statement by the Department of Munitions and Supply since last September as to the number of contracts let. This committee, which was at least suggested in the fall of 1940, during last session sat for a period of only six weeks, during which time it was actually in session for a matter of only some thirty to forty hours in all. Then last summer, when the committee sat during the recess, the three subcommittees had a total of only eighty-three meetings. Subcommittee No. 1 had 29 sittings and called 49 witnesses. That was the subcommittee on which I served for part of the summer, until it became necessary for me to leave in order to attend to certain personal matters. During the entire period of my absence, however, the chairman was kind enough to have forwarded to me copies of the evidence that was taken, so that I know what was actually done while I was away. Subcommittee No. 2 had 29 sittings, and 15 witnesses appeared before it. Subcommittee No. 3 held 25 sittings and called 25 witnesses. In other words last summer these three subcommittees had a total of 83 sittings. The average length of a sitting was not over two or two and a half hours, but make it three hours, if you will. The committee which was set up by parliament to investigate the billions of dollars' worth of contracts that have been let sat in the aggregate since its inception for a total of not more than 280 hours.

That will give you the picture, Mr. Speaker. That will tell you whether it would have been possible to look into any contracts whatever. Personally I do not know of any individual contracts that were inspected and examined

during the time I sat on subcommittee No. 1. We did study the question of the awarding of general contracts by which the training at air observer schools and elementary flying training schools was placed in the hands of civilian companies. That was all we did in so far as the matter of contracts is concerned, and a little later I am going to deal with the results of our work in that connection.

The recommendations made by the committee appeared in the *Votes and Proceedings* of November 3, 1941, and comprise some sixty or seventy pages. They represent findings based on the essence of the evidence that was taken; but to-day not a member of this parliament knows whether any of these recommendations has ever been carried into effect, and as yet we have not had an opportunity of discussing them. It was on November 3, 1941, that the Minister of National War Services placed these recommendations of the subcommittees on the table of the house. Yet to-day, months later, there is not an hon. member who has any idea whether all our work, short as it was and incomplete as it necessarily would be having regard to the scope of the task and to the all too few hours we spent on it, or whether any portion of the findings, the essence of which is to be found in the records of the said *Votes and Proceedings* I have mentioned, has ever been looked at, or has even been considered by any department of government.

The tremendous field before us was and is enough to overwhelm. Hon. members will realize the extent of the work undertaken when I say that if the members of the committee had taken up the contracts which had been awarded before the committee was set up, and if we had sat twelve hours a day from the date the committee was first thought of, in November, 1941, and had taken a reasonable length of time in the consideration of each contract, we would now be approaching only one-eighth of the contracts which had been awarded up to that time. For this reason we believed that the proper approach was simply to take under consideration first the general scheme of awarding the contracts and to ascertain whether or not improvements could be suggested in connection therewith. It was manifestly impossible to go further than that. I would have appreciated being on the committee again this year, were it not for the fact that I believe, because this is one of the major committees of parliament, the duty of serving on it should be passed around to the various members of one's group. The problem is so tremendous that the mere mention that contracts were being awarded at the rate of fifteen hundred a week when the committee commenced its sittings is enough to make anyone realize that it was not a public accounts committee where individual contracts could be looked into in particular.

We were not looking for scandal; we were not looking for wrongdoing. We had no opportunity to do so. Everything we did ascertain is concealed behind the secrecy established in the subcommittee on which I served.

Let us consider the set-up of the committee, and in that connection we might first consider the resolution forming it. I mention these points because frequently people will say, "Well, you have not shown any wrongdoing in connection with contracts awarded." In answer to that suggestion I reply that we never investigated any contracts, and I point out furthermore that we have no power to report to the house anything of an improper nature which may come to our attention.

The resolution reads:

> Resolved that a select committee be appointed to examine the expenditure defrayed out of moneys provided by parliament for the defence services, and for other services directly connected with the war—

I am in agreement that it is possible for the committee to investigate contracts in the Department of Munitions and Supply. I believe its powers are wide enough for that, and I agree with the view to that effect which was expressed yesterday by the Minister of National War Services. You can investigate, but how much can you report? The resolution continues:

> —and to report what, if any, economies consistent with the execution of the policy decided by the government may be effected therein.

In other words the only power we have is to investigate behind closed doors, and, having investigated, to report nothing but economies consistent with government policy. I point out, too, that when speaking on June 10 of last year in the house the Minister of National War Services explained that what took place in the committee was secret and that it could not be divulged, even to parliament—the parliament which had created the committee. At page 3751 of *Hansard* for June 10, 1941, I find this:

> Mr. Thorson: I rise to a point of order. The committee decided that the sessions of subcommittees should be held in camera. I think that means that the evidence given before such committee must be regarded as privileged. If the rule is relaxed in respect of one statement, then the whole value of "in camera" sessions is gone. If it is permissible to refer to a statement of fact given in "in camera" sittings, then it would follow that statements of expressions of opinion given in camera might also

be stated in this house. I suggest to your honour that the distinction should be this: If any evidence or any facts are available from a source other than statements made in camera,—

And I emphasize the word "other"—

—then such evidence or facts may be given in this house. But statements that are made in camera and expressions of opinion given in camera ought to be regarded as privileged. Otherwise the purpose of "in camera" sessions is completely defeated.

So that the chairman of the committee, a minister of the crown, has stated that the proper view to take of the evidence placed before the committee is that it is entirely secret and cannot be referred to. Of the evidence given before the subcommittee, of which I was a member, there was not a line, not a word which by the greatest stretch of the imagination could have been considered as of possible benefit to the enemy. But there was evidence placed before that subcommittee which it was our duty and responsibility to place before parliament and the country, to the end that the people might be in a position to judge whether or not the system in effect of granting to civilian companies the right to turn out men for service in the air force of Canada is a proper one.

One objection I took at that time, and which I now repeat, is that if the committee is to be worth while, if it is to canalize the war effort of the nation by improving the morale and by making the people realize there is nothing wrong, while at the same time digging fearlessly to find out any wrongdoing, then the size of the committee should be extended. It is too small now, and is too overwhelmingly composed of members supporting the government.

I realize that in a time of peace there are certain regulations with respect to committees providing for distribution based on party membership in the house. Mr. Speaker, these are no ordinary times; this was no ordinary committee. I repeat my suggestion to the Prime Minister this year to do something he refused to do last year, namely to equalize representation on the committee so that we may have equal representation, with the exception of the chairman, the vice-chairman and the chairmen of the subcommittees. If that were done all of us could go to work in the committee realizing that there are no political considerations whatsoever, and we could work together to the end sought by the Truman committee of the United States senate, when it gave a unanimous opinion, irrespective of party, and when, summing up its activities, stated its aim to be that

The committee, however, wants the war to be won as soon as possible—

That is the purpose of this committee.

—and at a minimum expenditure of life and property. Carelessness and inefficiency have already cost us a great deal and, if continued, can cost us much more, even though in the long run we will win the war because of the sheer extent of our resources.

That committee was composed of members from both sides of the United States senate. It was not overwhelmingly Republican or Democrat. It handed down a report in the month of January to the United States senate which has resulted already in the saving of millions of dollars. I repeat that the membership of this committee should be equalized as nearly as possible between the opposition and the government. If the Prime Minister will not agree then I contend that there should be more subcommittees, that more members of this house should be given an opportunity of serving. In Great Britain there are seven committees—army, admiralty, air, supply, home defence, trade, agriculture, economic warfare, and finally a coordinating committee to coordinate the work of the other committees.

The private members of this house have asked for an opportunity to serve; therefore I contend that the size of this committee should be increased. It would then be possible to appoint a large number of subcommittees and would be enabled the better to attack this problem differently from the way we did last year because we had so few members. In my opinion the evidence given before this committee should be made available to the members of this house except in cases where the committee determines that it would not be in the public interest to do so. The secrecy of the evidence taken and thereby the concealment of the true situation from the people is something that I condemn and will continue to condemn. The secrecy of the proceedings is condemning this parliament before the people. Because of this secrecy people at home are saying that there must be something wrong. They are saying that this government has never made an admission of any shortcomings, and they realize that with the tremendous work that has been done, there must be some shortcomings. To-day the membership in this house is controlled entirely by the government of the day. It is a trend which has been accelerated during recent months; parliament is more and more being

convened merely for the purpose of voting supply. The members of this parliament should be something more than voiceless vassals in connection with everything but the voting of supply. We have a right to know, the people have a right to know what is going on.

Following the results of the plebiscite, the Prime Minister the other day used some very significant words. I quote from page 1920 of *Hansard*:

> The questions that will have to be considered are all important and fortunately all members of the ministry and members of the House of Commons are now free to speak their minds without its being assumed for a moment that they are being influenced by any past commitments—

If the sentence stopped there it might have been all right, but it continues:

> —or considerations other than those which bear immediately upon the questions they are discussing.

What other considerations can there be that would prevent members of this house from speaking their minds? When members of the opposition rise in their places to voice fair and honest criticism, I cannot see what justification there is for members of the government invariably to point out that the war effort is being harmed thereby. Continue that trend and you destroy the independence of parliament.

Private members' days have been taken away. Why? Because there is an overwhelming majority supporting the government. Regardless of the fact that we insist on there being private members' days, these have been taken away. The right to place before parliament the things that we believe are necessary has been denied us. It was not denied in this chamber in the last war until 1918, just three or four months before the end of the war. The other day I looked up the records and I find that in 1916 private members debated such matters as the civil service, divorce reform, liquor restrictions, labour bureaux, wheat marketing, and women's suffrage. In 1917 such matters were debated on private members' resolutions as granting the franchise to women and the establishment of a department of physical welfare. In 1918 the coal policy was debated. As it should, the war took up then as now a large portion of the time, but I see no reason why private members' days should be denied, or at least should not be allowed in a restricted sense.

When the opposition asks questions to-day it is invariably met with the answer that it is not in the public interest to give the information asked for. Only yesterday the Minister of Agriculture (Mr. Gardiner) said that it was not in the public interest to tell the people of this country what was being done with their money in connection with agricultural payments. To-day, when he gave the information asked for, he did so in a way that I think this parliament should not accept. He said that he gave it without prejudice or without setting a precedent. If this trend is continued, if private members' days are taken away, if we have secrecy in a committee set up by parliament, if there is the extinction of our right to ask questions, what justification will there be for this house?

The other day Your Honour ruled that it was not proper that a question should be asked before the orders of the day unless it was of immediate importance. That ruling was quite right, but I would point out that in the British House of Commons, where the war is much closer than it is here or has been during recent months, two or three times a week members are allowed to ask questions of the ministers and to cross-examine them upon their answers. We are asked to accept the principle that ministers of the crown can answer by saying that it is not in the public interest to give the information, when the only justification for such an answer is some reason other than matters of state. I suggest that members on all sides of this house should get up and demand that answers be given.

If this practice is continued, regardless of the attitude adopted by other members around me, I intend to oppose it. If we can be put off with the reply that it is not in the public interest to answer, then our position as members of parliament is a mere sham. If this trend continues, this parliament will become nothing more than a sounding-board of the nation. If we are denied information on the ground that it is not in the public interest, the time may not be far distant when parliament and this country will be permitted to hear only the things and secure only the information which sounds well to the government, which in the opinion of the government will be to its interest to reveal. Against that I protest. The refusal to give information asked for from time to time is a serious infringement upon our parliamentary rights. I was glad to-day to find that three questions I had asked two or three days ago were answered. If the government would follow that example and provide us promptly with answers to the questions that are asked, there would not be so much objection to their not answering questions in the house on the orders of the day.

I protest against the secrecy of the war expenditures committee. Findings were made

with some of which I disagree and I wish to take this opportunity to refer to some of the findings with which I disagree, for the reason that as yet we have not had the opportunity to discuss them which was promised us by the Prime Minister at the time the findings were brought down.

I was not present when the various findings of my subcommittee were made, and other members of the committee were not present. I point out that the recommendations made here are based upon the evidence that was taken before the committee, but I dissociate myself from the conclusions based on some of the evidence referred to herein.

The report sets out the number of flying training schools in Canada and the number of air observer schools—22 elementary flying training schools and 10 air observer training schools. These schools have on their shoulders the responsibility of turning out pilots and observers for the Royal Canadian Air Force, or at least of contributing to the training that leads to the final graduation of the pupils entering these schools. This system of turning over to a private company or to civilian corporations the training of the members of one branch of the military forces of the nation is not followed in Great Britain. A system somewhat along this line existed until the outbreak of the war, but when war came the stand taken by the British government was that there was no justification for training men for the army or for the tanks or for aircraft or other of the armed services in civilian schools operated by civilians for the profit of civilians. The report says, at page 551, referring to the elementary flying training schools:

> They are highly efficient and are carrying on their task without any thought of profits to the company or to private individuals; but the subcommittee also finds that under the great pressure of war work sufficient care has not been taken to safeguard the public interest as to what may happen in regard to profits after the war and when the war incentive will have ceased to exist.

Mr. RALSTON: What page is my hon. friend reading from?

Mr. DIEFENBAKER: From page 551, the last sentence of paragraph 4. The elementary flying training schools in the main were set up and sponsored by flying clubs throughout the dominion. Very good salaries are paid to the operators. Those who put up the capital, $35,000 being the capital, receive 5 per cent, and if there is a surplus at the end of the war it is to accrue to the flying clubs in the interests of civil aviation. There were no controls, to speak of, which would have assured that these moneys would go to the flying clubs when the investigation commenced and last summer recommendations were made to prevent the shareholders of the elementary flying training schools from taking over the profit after the war, when patriotic incentive might very well tend to disappear. I think this house and the country has a right to know whether that recommendation of the committee was put into effect. Paragraph 5 of the committee's report says:

> The subcommittee recommends that all of the common stock of all elementary flying training companies should be held in trust for the flying clubs sponsoring the companies, and that in no instance should any individual be permitted to hold the beneficial interest of any common stock other than the qualifying shares of directors and that a declaration of trust should be taken with respect to these shares.

Was that done? Has anything been done along that line? As yet we have no information in that regard.

Mr. CLEAVER: Have you asked for it?

Mr. DIEFENBAKER: At the moment I am dealing with the fact that the information has not been given.

Mr. CLEAVER: This is the first opportunity to give it. You have not asked for it before.

Mr. DIEFENBAKER: I shall be making further remarks with which my hon. friend may not agree, and he can make his speech when I have finished.

The committee recommended that the profit of 50 cents per flying hour received by the company should be reduced to 25 cents. Parliament met after that, and we were assured that that reduction had been made. Yet when our committee met in July and August of last year we found that these reductions had not up to that time been accepted and adopted.

At page 554 of the report the subcommittee recommended:

> That all profits should be invested in non-interest bearing Dominion of Canada bonds so that all profits earned will be available for war purposes until the end of the war. Most of the companies are already following this practice. The subcommittee has already recommended that the agreement should be amended making this compulsory.

Parliament has a right to know whether or not this recommendation was carried into effect.

I come now to what I consider is a subject of fair criticism, namely the establishment of air observer schools under civilian operation in this country. There are ten of them. These schools have received contracts from the government to train airmen as observers. The companies are capitalized at

$50,000, and there is no limitation whatsoever on the profits which the companies are making. They are purely private companies. These companies have none of the justifications for their existence that the elementary flying training schools have, except in the results they achieve. I submit that the time has come when in the interests of the war effort of this nation the air observer schools should be taken over by the dominion and not be operated by civilian companies. At the present time these companies operating the air observer schools receive a management fee of $2,700 per month, and any saving they make on that basis goes to the operating company. In the matter of operation and maintenance, which includes salaries for pilots, engineers, electricians, mechanics, and so on, the agreement calls for the payment of a monthly target price, which in the first agreement was set at $17,500. The agreement also provides for a revision of the target price to make adjustment for changes made from time to time in the training syllabus. It further provides that every twenty-four weeks the target price will be revised in the light of existing costs and that any balance on hand in this account at the conclusion of the contract—and most of these contracts will end in March of 1943—will be divided on the basis of 75 per cent to the crown and 25 per cent as profit to the company.

Finally, there is provision for the payment of one dollar profit for every flying hour flown during the period. The committee recommended that that said amount be reduced to thirty-five cents. As yet we have no information as to whether this has been done. There is one item in the report which I challenge. At page 556 it is stated:

> The subcommittee has carefully considered the question of profits which will be earned by the operating companies. Partly on account of highly efficient management and partly on account of the pupil intake as fixed by the contract being increased without proportionate increase in management costs it was found that substantial profits were being earned.

It will be noted that this finding is surrounded by a good deal of explanation before you get to the fact, that "substantial profits were being earned". Then it says:

> The following examples of lunar monthly profits from one of the schools show an average profit of $1,112:
>
> | | |
> |---|---|
> | Example No 1 | $1,176 |
> | Example No. 2 | 1,340 |
> | Example No. 3 | 819 |

This company is awarded a contract by the government to train men for the armed services, and even on the basis of this report would be making a yearly profit of $14,456, "under favourable conditions". I challenge, Mr. Speaker, the right of the members of the committee who drafted this report to reveal only part of the story and not the whole story; I challenge their right to try to explain away the very large profits at the air observers' schools which the operating companies are receiving. I do not know whether this is No. 1 or not, because there is no indication as to which it is, but I think this is the company which, in addition to showing the net profit here stated, paid to its parent company during one year $15,658.32 over and above what they showed as profit earned. In other words during the period of the first year this company made approximately $30,000, but was able, by showing payments to the parent company, to show that its profit was in fact less.

Mr. RALSTON: On what account were the payments?

Mr. DIEFENBAKER: The minister asks, on what account. The payments were made to cover experience and responsibility on the part of the parent company, experience having been gained by its operations during the days of peace, and the other item for its responsibility to return the goods placed in charge of the company.

Mr. CLEAVER: And services. The hon. member has omitted a very important matter.

Mr. DIEFENBAKER: My hon. friend may explain this.

Mr. CLEAVER: I rise to a point of order. My hon. friend is referring to evidence given in secrecy and to matters not included in the report.

Mr. HANSON (York-Sunbury): Just as you did.

Mr. CLEAVER: I was stopped, and I am suggesting that the hon. member should be stopped. It is not fair. He is giving only half the picture.

Mr. McGREGOR: He is telling what you do not want to hear.

Mr. DIEFENBAKER: I do not think that that is a point of order.

Mr. CLEAVER: Mr. Speaker, I object, and I ask for a ruling as to whether the hon. member who is speaking has the right to quote from secret evidence.

Mr. HANSON (York-Sunbury): He is quoting from the report.

Mr. CLEAVER: No, it is not in the report. What my hon. friend is referring to, is services rendered by the parent companies, and this is not mentioned in the report. If he wanted it in the report he should have been there when the report was prepared and asked that it be put in.

Mr. HANSON (York-Sunbury): There is no point of order.

Mr. CLEAVER: I must press for a ruling, Mr. Speaker.

Mr. SPEAKER: As a matter of fact the question has been raised before with regard to what was said in secret not being available to the house. I believe I then ruled that the hon. member for Halton (Mr. Cleaver) who has now spoken and who has raised the point of order could not refer to matters which were secret as before the committee, and he accepted the ruling and did not do so. With reference to the hon. member for Lake Centre who is now speaking, I did not know that he was alluding to something which was in a secret paper.

Mr. HANSON (York-Sunbury): He was replying to a question of the minister.

Mr. CLEAVER: That is not fair. He made the statement before the minister asked him.

Mr. RALSTON: I asked him, what account? I am just as ignorant as my hon. friend is; I was following the report and chasing down to find where the figure was which the hon. member had mentioned.

Mr. DIEFENBAKER: My time has elapsed, but may I conclude with just one reference, because I do not want to go beyond my time. There are ten of these air observers' schools in Canada, and the time has come when they should be taken over by the government and profits should not be permitted to continue to accrue to private companies which operate the schools.

I point out in conclusion, Mr. Speaker, that most of these schools are owned to-day by a great corporation, or should I say an auxiliary of a great transportation corporation —not the Canadian National Railways, which so far as I know has no interest in any of them. The time has come to take over these schools, and to take the profit away from private individuals in connection with training men for armed services. The government should take over these schools so that when the war is over Canada as a nation will be in a position to extend and develop her air services in all parts of the world.

[Mr. R. B. Hanson.]

Hon. J. T. THORSON (Minister of National War Services): At the outset I should like to express regret that the hon. member for Lake Centre (Mr. Diefenbaker) will not be a member of the war expenditures committee this session. He did excellent work in the subcommittee of which he was a member, he contributed valuable criticism to the work of that subcommittee, and the vigour of his presentation was very helpful indeed.

The fourth report of the war expenditures committee last session recommended that the inquiry should be continued and that a committee should be set up this session for that purpose. Indeed, the work of such a committee as this can never be concluded; there will be plenty of work for a body of this kind as long as the war lasts.

Last year there was no restriction whatsoever upon the activities of the committee. I so stated yesterday; I also said that there would be no restriction upon the activities of the committee this year. The whole field of war expenditures is open to the committee for investigation for the purpose of recommending what economies are possible in connection with war expenditures consistent with government policy in the matter.

Mr. HANSON (York-Sunbury): But nothing else.

Mr. THORSON: That is the function of this particular committee. The committee in the course of its sittings last session laid down certain fundamental principles. Some of them were referred to by the hon. member for Lake Centre a few minutes ago. It was, I think, generally agreed that the war expenditures committee is not a public accounts committee and is essentially different in its functions from a public accounts committee. I think there was general agreement among all the members of the committee to that effect.

For example, it is not a primary function of the war expenditures committee to examine a particular transaction or to investigate charges in respect of a transaction.

Mr. COLDWELL: That is the point of disagreement.

Mr. THORSON: I think there was general agreement in the committee last year on that subject.

Mr. MacINNIS: I never agreed that that was not a function of the committee.

Mr. MacNICOL: Do they not examine contracts in England?

Mr. THORSON: I was very careful to point out that it is not a primary function of

this committee to examine any particular transaction or any past transaction or to investigate any particular charges. The function of this committee is to recommend economies that may be possible. In order to enable it to recommend such economies it may have to go into particular transactions and examine them, but there is an essential difference between the functions of such a committee as this and the functions of a public accounts committee. May I say that it is open to any hon. member to bring any particular transactions before the public accounts committee. He may move that a particular transaction be referred to the public accounts committee. But I think it will be agreed that there is an essential and fundamental difference between the purposes of this committee and those of the public accounts committee.

Mr. DOUGLAS (Weyburn): This is the public accounts committee for war expenditures.

Mr. THORSON: Similarly any account, any contract, any transaction may be referred by any hon. member to the public accounts committee; he may move that any particular transaction go to the public accounts committee. That is his prerogative and his right.

Similarly it was agreed that this committee is not primarily a fact-finding committee.

Mr. MacNICOL: Then it is utterly useless.

Mr. THORSON: No, it is not utterly useless. The work this committee did last year was exceedingly valuable—

Mr. MacNICOL: The money spent on it was utterly useless, if that is all it produces.

Mr. THORSON:—and was instrumental in bringing about a good many economies, as I shall elaborate as I proceed.

Mr. CASTLEDEN: Does the minister believe that the function of this committee is to examine the expenditures?

Mr. THORSON: Yes.

Mr. CASTLEDEN: Then does he not think the committee has to make the examination by looking into the transactions?

Mr. THORSON: They may—

Mr. CASTLEDEN: They should.

Mr. THORSON:—and they will. If the hon. member will allow me to continue, he will see that the work of the committee proceeded in an orderly manner, first, for the purpose of ascertaining what controls and checks there were, then to indicate what controls and checks there ought to be; then the intention was that the committee would move from such inquiries into any particular transactions that the committee wished to investigate. I think hon. members will see the plan upon which the committee operated and the sound reasons that lay back of that plan of procedure.

I think it was agreed that the committee is not primarily a fact-finding committee. It could not possibly examine the hundreds, the thousands of war contracts individually. If it had started in with the examination of individual contracts, it could not have accomplished the functions for which it was designed.

The committee is not restricted, as the British committee is, to the examination of present expenditures, it may look into past expenditures, but its purpose in looking into past expenditures is to ascertain what economies might be possible for the future.

The wording of the reference, which is exactly the same as the reference in the case of the British committee, subject to what I have just said, is that the committee should "examine the expenditure defrayed out of moneys provided by parliament for the defence services, and for other services directly connected with the war, and to report what, if any, economies consistent with the execution of the policy decided by the government may be effected therein."

Therefore primarily the committee is an economy recommending committee. That, I think, makes its functions essentially different from those of a public accounts committee or those of any special committee that may be set up for the ascertainment of any particular sets of facts.

The committee is the master of its own procedure; it is also the master of its subjects of inquiry. It consists entirely of private members; no member of the government is on the committee; there are no governmental instructions to the committee; the reference is as broad as it is possible to devise. There were no restrictions upon its activities last year; there are no restrictions upon its activities this year.

Last year when the committee opened its inquiry it held open sittings. Six sittings were devoted to the Department of Munitions and Supply for the purpose of ascertaining the manner in which that department functioned, the manner in which it awarded contracts, the extent to which it awarded contracts on the basis of tenders, the extent to which it departed from that basis in awarding contracts and the principles subject to which it awarded contracts on a basis other than by tender. We explored the organization of the department, the checks and controls that

existed in the department to see that matters were conducted with regularity and economy; we investigated such subjects as cost accounting in the department itself, the controls exercised by the comptroller of the treasury, the controls exercised by the joint inspection board of the United Kingdom and Canada, the controls exercised by the treasury board and by the auditor general.

Later, as subject after subject was brought to the attention of the committee, it became clear and obvious to every member of the committee that we must operate by subcommittees if we were to make the best use of the services of the members of the committee and cope with the tremendous volume of work that lay before the committee. That was essential. Consequently the committee resolved itself into three subcommittees, which sat during the period the house was in session and for six or seven weeks during the adjournment. When these subcommittees concluded their work, during the adjournment of the house, they made individual reports which were the basis of reports of the whole committee, which reports were all tabled on the reopening of parliament on November 3.

The fifth report dealt with contracts with civilian flying clubs, associations or companies; the sixth report with army, navy and air force buildings construction, specifications and designs for such projects, and the inspection thereof during construction; the seventh report with medical, dental and hospitalization services in the army, navy and air force; the eighth report with food and other supplies including miscellaneous services for the forces, the inspection and distribution thereof; the ninth report with the salvage of waste; the tenth report with such subjects as financial controls over army, navy and air force expenditures, and headquarters establishments in army, navy and air force.

All these reports indicate that the first subjects to be explored were activities which were initiated in the departments of national defence. There was a reason for this. The House of Commons sees the war appropriation bill for the first time when it is introduced in this house. The war appropriation is based upon estimates that come from the departments of national defence after going through a certain procedure; through the treasury board, to the war committee of the cabinet and to council. Then they become the basis for the appropriation bill which is submitted to parliament. But these estimates are themselves based upon war establishments, and it was thought that it would be wise to see what economies were possible in the defence departments, where these expenditures originated. Therefore a great deal of our time last year was devoted to an investigation of checks and controls. I believe hon. members will find an excellent statement of the checks and controls in effect at the present time over army, navy and air force expenditures—

Mr. HANSON (York-Sunbury): If the minister would permit an interruption, that was all academic. Did the committee, after some six or eight sessions, make any recommendation to improve or remedy conditions with respect to those checks and controls?

Mr. THORSON: Yes.

Mr. HANSON (York-Sunbury): What was that recommendation?

Mr. THORSON: I pointed out that the estimates themselves are based upon war establishments. Perhaps the outstanding recommendation of the subcommittee which dealt with that particular subject was that there should be a war establishments committee in every defence department where such a committee did not already exist; furthermore, that a financial superintendent should be appointed in each of the defence departments where such an office did not already exist, and that such financial superintendent should be a civilian, responsible to the deputy minister and be a member of the war establishments committee. That was recommended on the ground that there was need for civilian authority and control in the matter of army, navy and air force expenditures; not on the assumption that there should be civilian authority over the service personnel, or service personnel superiority over the civilian authority, but with the idea that each should be in aid of the other and complementary to the other, so that the matter of financial control should not be restrictive of the war effort but in aid of it. That is why the committee adopted as its objective a certain purpose, namely, that the people of Canada should know that there was at Ottawa a committee of private members of parliament concerned with seeing that a dollar's worth of war effort should be given in return for every dollar contributed to the war effort by the Canadian people, either by way of taxation or by way of loan.

These recommendations to which I have referred have been adopted, actually or in principle. In respect of the appointment of a financial superintendent, there already was such an officer in connection with the army. Since our recommendations were made, a financial superintendent has been appointed in the Department of National Defence for Air, and a similar appointment is proposed

in connection with naval services. A war establishments committee was already operating in the army, and in November of last year, after our report was made, the financial superintendent was made a member of that committee. The principle has been adopted in the navy. In the case of the air force, a war establishments committee has been appointed, of which the financial superintendent has been made a member. I think these basic recommendations made by the committee will result in complete cooperation between the civilian authority and the service personnel in the matter of those controls and checks which are essential to the most efficient performance of the duties that are assigned to those departments.

In that regard I think a valuable contribution was made by this committee to the work of the defence departments, all three of which have expressed their appreciation of the assistance given by the committee in enabling them to put into effect the reforms that were recommended in the report, which reforms not only effect economies but promote efficiency in the departments as well. The primary purpose last year was to investigate that field of war expenditures that actually lay behind the war contracts, because it was in that field that the greatest economies were possible, and it was in that field that there was the greatest need for checks and controls.

A very full and complete statement of the existing checks and controls is contained in pages 627 to 643 of No. 15 of the minutes of proceedings of the special committee. This also appears at pages 585 to 601 of the *Votes and Proceedings* of November 3, 1941; I commend the reading of that statement to members of this house. They will see that we have a system of careful checks and controls of war expenditures, starting with the very origin of these expenditures.

They will understand the importance of the recommendations made by the committee in the matters of checks and controls. I am sure hon. members will be glad to see the manner in which the defence departments have acted in respect of these essential and fundamental recommendations of the war expenditures committee.

The war expenditures committee having explored the checks and controls that are in existence, and having indicated the additional checks and controls that there ought to be, then it was a logical matter to go into specific transactions and specific departments. The war expenditures committee, having explored these fundamental and foundational matters may now, with some understanding, go into the subject of war contracts and specific transactions generally. The committee may investigate any war departments, indeed any department of the government that receives war appropriations, and explore any of their activities connected with the war.

I suggest that there is reason in going about this exploration in an orderly manner. We have written into the record what I think is a valuable contribution to the system of checks and controls that there ought to be in the case of war expenditures. I think the committee may now usefully explore the activities of the Department of Munitions and Supply. Indeed, if I had been honoured with the chairmanship of the committee this year, as I was honoured last year, I would have suggested to the committee that the whole subject of war contracts should be made the subject of study during this session of the house. May I say this, that the government invites the closest scrutiny of any war contract and has no hesitation in extending that invitation. May I say again something I could not have said last year, on my responsibility as a member of the government, that there is no restriction whatsoever upon the activities of this committee. This is a committee charged with the duty of examining all war expenditures for the purpose of recommending economies. May I say further that if hon. members of this committee run into anything that they think should be referred, any member of the house has a right to move that such transaction be referred to the public accounts committee. That is a right any member has. It is open to any member to do that.

As we explored the subject of checks and controls last year, so the committee this year may study the subject of war contracts. I have no hesitation in saying that the Department of Munitions and Supply is one of the achievements of this government. It started off by being the central purchasing agent for all defence departments, after the awarding of contracts had been taken away from those departments. There was first of all the defence purchasing board, then the war purchasing board and, finally, the Department of Munitions and Supply. When the history of that department is written it will be one of the romances of the war effort of this country—and I say that without any hesitation at all. It started off as a central purchasing agent, but it has gone far beyond that. It is now also the controller of supplies. It has gone far beyond the simple function of being a central purchasing agent.

It has been instrumental in capital assistance. That is one subject that members of the committee should thoroughly and carefully explore. It has also set up a large number of government-owned companies for purposes of the war. Capital assistance has amounted to approximately half a billion dollars. There are eleven government-owned companies directly associated with the war effort. Their names, as set out at page 641 of the minutes of proceedings No. 15 of the special committee on war expenditures, are as follows:

Allied War Supplies Corporation
Federal Aircraft Limited
Research Enterprises Limited
Small Arms Limited
Wartime Housing Limited
Fairmont Company Limited
Melbourne Merchandising Limited
Plateau Company Limited
Citadel Merchandising Company Limited
Wartime Merchant Shipping Limited
War Supplies Limited.

The functions of these various government-owned companies are varied. Some of them are supervising companies; others are manufacturing or construction companies. Again, others are commodity procurement companies, while others are purchasing companies. To a very large extent the government has embarked upon public ownership of the production and procurement of munitions of war. I suggest that these are all exceedingly interesting subjects for inquiry—the whole subject of war contracts; the whole subject of capital assistance; the whole subject of publicly-owned companies engaged in the war effort of the country.

Reference has been made to the matter of war contracts. There are thousands of these contracts. It would be a most stupid method of procedure to start in to examine each individual contract. There would be far more sense in examining the principles subject to which these contracts are awarded, the considerations governing the awarding of these contracts and the general principles involved, so as to indicate in what way there may be an improvement in the situation, from the point of view of economy and efficiency.

Approximately 95 per cent in number of all contracts awarded is by the tender system. But there are some purchases made where the tender system cannot be used; these purchases fall into the following categories, as detailed at page 640 of minutes of proceedings No. 15:

(a) Where extreme military urgency requires immediate delivery.

(b) Where the requirement is so large that the productive capacity of the entire industry must be harnessed.

(c) Where the technical nature of the article required narrows the field of supply to one or two sources.

(d) Where, in the interests of military secrecy, it is considered unwise to give plans and specifications to more than one or two firms, such to be chosen because of their aptitude in this particular type of manufacture.

I know that some feeling has been created in the house because on a number of occasions the government has stated that it is not in the public interest to give certain information. We have given far more information than the British government has ever given. We are proud to be allies of Great Britain in this great conflict; the fact is that the British government has asked us not to give out information that we have been giving out. This is not done for the purpose of hiding anything. The government has nothing to hide. We can give this information to committees sitting in camera. I say again, if any member of this house thinks that a transaction ought to be referred to the public accounts committee, he can rise in his place and move to refer such transaction to that committee.

This raises the whole question of "in camera" proceedings. I do not know why members use the phrase "sitting in secret", when the proper phrase is "sitting in camera".

An hon. MEMBER: What is the difference?

Mr. THORSON: There is a vast difference. The committee did not sit in camera for the purpose of hiding anything; it sat in camera for the purpose of finding out things. The British committee on war expenditures sat always in camera, both the committee of the whole and the subcommittees. There was not a single session of the British committee, either sitting as a whole or as subcommittees, that was held otherwise than in camera. There is no parliament anywhere in the world that is more jealous of its rights and prerogatives, or more deeply concerned with doing its duty than the British parliament. In this regard the British parliament is an excellent model and example for us to follow, as we follow the British house in so many respects.

Mr. DOUGLAS (Weyburn): How many sittings have they had in the last two years?

Mr. THORSON: They have had a good many. A number of the recommendations made by the British committee have been in effect in Canada for a long time; it is only recently that the British government has been following some of the examples that we have set in the matter of a Department of Munitions and Supply, a central purchasing agency for all defence depart-

ments and so on. Our action will be also a model for the United States. They have acknowledged freely the value of the system that we have set up for the central purchasing and control of materials and commodities such as exists in our Department of Munitions and Supply.

There are arguments for sitting in camera as well as for sitting in open session. Last year we sat in open session part of the time, and in camera for most of the sittings of the subcommittees. The committee is completely master of its own proceedings; it can decide whether they shall sit in open session or in camera. The example of the British committee indicated the value of sitting in camera, and I express my own opinion as to the value of sitting in camera. There are arguments both ways, but I have not the slightest hesitation in saying that the argument in favour of an inquiry of this sort sitting in camera is overwhelming.

I know there is value in having the press present and in having the proceedings open, but if the essential purpose is to make recommendations for economy, as is the purpose of this committee, then it can best discharge this duty by sitting in camera. It is not a matter entirely of secrecy, although all matters of secrecy must be carefully guarded. I do not put the case for sitting in camera on the basis of secrecy; that is only a small part of it. I put it on a much wider base, and I indicated that base in the speech I made in this house last session. I gave two reasons, and I put forward one of them quite frankly and without intending to give offence to anybody.

If members sit in camera they will give more direct and more concentrated attention to the subject that is at hand than they would if the sittings were in the open with the press present. There will be fewer speeches made by members; there will be fewer efforts made to catch the head-lines. When I make that statement, I intend it to be general and applicable to all members. If there is no press there, if there is no competition to make the head-lines, members will be inquiring into what is before them rather than making speeches about something. Making speeches does not advance an inquiry. An inquiry is something that must be made with undivided attention to the subject that is at hand. That is one point, but it is not the most important reason for sitting in camera.

This committee is charged with the duty of recommending economies. In order to discharge that duty intelligently it must get information from either service personnel or civilian members of the various departments who have all the facts, who know all the surrounding details, who know whether economies are possible. Therefore it is necessary that there should be the freest and fullest interchange of opinion between those persons, whether service personnel or civilian, and members of the committee. Everyone who has had experience with parliamentary inquiries knows that you cannot have that full and free exchange of opinion—not statements of fact—except in confidence. It is only human for persons who are in the public service to freeze up when they know that everything they state, that every opinion they express may possibly be blazoned on the head-lines. There ought to be a free exchange of opinion, a mutual searching between the officers of the departments and the members of the committee for ways and means of effecting economies.

Let me say again that this is not a fact finding committee; this is a committee for the investigation of transactions, if you like, but for the purpose of recommending economies. There is another committee that can investigate particular transactions if it is felt that an investigation of such transactions should be made. I say again it is open to any member of the committee to move that a particular transaction be referred to a standing committee of this house, the public accounts committee.

The experience of that free exchange of opinion last year was splendid. It was valuable. It enabled the committee to recommend outstanding reforms, many of which have been put into effect and practised, with increased economies and increased efficiency resulting.

In the subjects that are before the committee this year, such as war contracts, there is the fullest possible scope for inquiry as to the various bases upon which contracts are awarded, when they are awarded otherwise than on the basis of tender. That opens a great field of inquiry, but a field that could not be fully or properly explored by sitting down and indiscriminately seeking to analyse all the facts of each individual contract. There has to be a certain amount of confidence in the fact that we have people in the department who are devoted servants of the public and are seeking to do their best.

So far as tenders are concerned, I should like to suggest to hon. members that they read the statement on checks and controls relating to war contracts and relating to purchasing in the Department of Munitions and Supply contained in pages 635 to 643 of volume No. 15 of the minutes of proceedings, and they will see what system of checks and controls there

is in that department. How can that system be improved to bring about economy? That is a first-class and important subject of inquiry.

Then there is the matter of capital assistance. Are the conditions subject to which capital assistance is granted satisfactory—and we have spent approximately half a billion dollars in capital assistance? Can the conditions be improved? Can economies be effected in that field? Similarly with respect to the operations of the eleven government-owned companies set up for the purpose of aiding this country in its war effort, are those operations being carried on satisfactorily? All of these subjects are open to the committee this year.

Last year, as I pointed out a moment ago, the committee adopted as its chief objective that its purpose should be to see that Canada should get a dollar's worth of war effort for every dollar contributed by the Canadian people. I think I can say that last year the committee did excellent work. It was concerned with results. Not one of the members of the committee sought to glorify himself. They could have brought in estimates of large amounts of proposed economies. They did not do so, but they brought forward recommendations that will result in tremendous economies, and economies that are possible without in any way reducing the efficiency of our war effort. All of the war departments of national defence have expressed their appreciation of the cooperation of the committee. The committee last year was a stimulating factor in the promotion of economy reforms. The very existence of the committee has an extremely salutary effect, for no war department knows when its affairs may be examined or its expenditures scrutinized. The committee may well follow up all of its recommendations of last year to inquire what progress is being made in implementing them where they have not already been adopted, because there is always a value in following up an inquiry of this sort.

The work of this committee is not easy. It is very difficult. It is also very interesting and exceedingly important. Of course there are differences of opinion, but I think they have been bona fide differences of opinion. I think I may speak fully and freely when I say that the government invites criticism. I have myself frequently expressed appreciation of the value of criticism, and on this first occasion to speak on this subject as a minister of the crown I invite criticism. Criticism is helpful. But there must also be an appreciation of certain fundamentals. There is a vast difference between giving out facts in this house and giving information to a committee sitting in camera, and I am sure that members of the house on both sides will appreciate those fundamental differences.

Cooperation is essential; differences of opinion are unavoidable, and they are valuable because "it is only upon the anvil of discussion that the spark of truth is struck." I forget who was the author of that saying, but it is a very helpful one. We must have discussion. But at the same time we are engaged in a war effort in which every person in this country is vitally interested, and we must avoid giving information which may be of value to the enemy. Very frequently, again and again and again, for reasons which it cannot even properly give, the government is handicapped. It could answer certain criticisms easily if it felt that it could properly say certain things. But it often cannot safely make the answers without disclosing facts that should not be disclosed. While the government invites criticism, may I also suggest this, that members of the house extend a certain amount of confidence and faith in those who are engaged in this country's administration. I think they are entitled to that, and I believe that members of this house know they are entitled to have it. We would gladly give on the floor of the house the information asked for if we could properly do so, because I am satisfied that we have nothing to hide. Members of the committee, however, can get the fullest information. Members may not always be able to get information on the floor of the house for reasons of public policy, but I do not remember a single instance when a person came before the subcommittee, of which I was chairman, where information was refused. Sometimes the information was given off the record when it could not be given otherwise. There has to be cooperation, and a certain amount of faith and confidence in those who are charged with the administration. Let me assure you, Mr. Speaker, that we are just as deeply interested and concerned in the successful issue of this war effort as hon. members opposite are, and there is upon our shoulders a very heavy responsibility.

Mr. MacNICOL: On everybody's shoulders.

Mr. THORSON: And upon everybody's shoulders. I believe that this committee can do a marvellous job. I think it did a fairly good job last year, although perhaps it is not for me to say so. I regarded it as a great privilege to be chairman; I was deeply appreciative of the cooperation that was given me from all sides. Differences of opinion—

yes, but unity of purpose—likewise yes. I hope that when this committee sits again there will be that same unity of purpose in the discharge of a very difficult but very interesting and important task.

I hope that this motion will pass the house with unanimity.

Mr. DOUGLAS (Weyburn): In view of what the minister says of the marvellous job which has been done by this committee—and I agree with him—will he tell us why the committee was not set up at the beginning of the session rather than at this late date?

Mr. MACKENZIE KING: It was impossible to secure the names of some of the members of the committee; that is the reason.

Mr. C. E. JOHNSTON (Bow River): Mr. Speaker, being one of the newer appointees on this committee, I wish to say a few words with regard to it. I did not have the privilege of sitting on the committee which worked last year, but I have read very carefully the report of its proceedings and have noted with a good deal of interest what the minister has said to-day with regard to carrying on the committee's work of last year. I was pleased to hear of its work and I thought I had some idea of its functions, until the minister in charge finished his speech. I confess that I am now rather confused as to what the real purpose of the committee was. For instance, he said that primarily its function was not to investigate any particular contract. I assume, therefore, that it was not the privilege of the committee or any member thereof to bring up any particular contract, but it was their privilege, as it is the privilege of any member of the house, to ask that that particular contract be referred to the public accounts committee. To me that is very confusing.

Mr. THORSON: The committee may inquire into any contract into which it wishes to inquire.

Mr. JOHNSTON (Bow River): Yes, but the minister said that primarily that was not the function of the committee.

Mr. THORSON: Primarily—no.

Mr. JOHNSTON (Bow River): If the committee is going to rule that that is not a primary function—

Mr. THORSON: There has never been a ruling at any time that there could not be an inquiry into a particular contract, and it is open to the committee to inquire into any contract. I cannot be too clear on that.

Mr. HANSON (York-Sunbury): It never got that far.

Mr. JOHNSTON (Bow River): This is a little confusing, because the chairman knows as well as I do that a majority of the members of that committee were supporters of the government.

Mr. MacNICOL: Exactly, and you could not get anywhere.

Mr. JOHNSTON (Bow River): When there would be brought before the committee the question of investigating any particular contract, it is useless to say that a member had the right to investigate it, because he had not. I would point out to the minister that it would be a great deal more satisfactory if he would accept the suggestion made by the hon. member for Lake Centre (Mr. Diefenbaker) that this body should be made as non-political as possible, by having an equal representation of government and opposition members, possibly with the exception of the chairman. I supposed that I had the purpose of the committee straightened out in my mind, and I can now quite well understand why there has been much confusion with regard to the matter.

The minister said that one of the primary functions of the committee was to see to it that a dollar's worth of work, goods or services, was obtained for every dollar spent.

Mr. THORSON: That is the objective.

Mr. JOHNSTON (Bow River): I submit to him that that is an utterly impossible ideal to set before the committee in view of the fact that it did not investigate a single contract. How in the world could they find out, for example in connection with a contract submitted for the manufacture of aeroplanes, whether a dollar's worth of services was rendered for each dollar spent. That would have been a useful avenue to follow with regard to some of the larger contracts.

Mr. THORSON: Name some of those contracts.

Mr. JOHNSTON (Bow River): I could name some of the aeroplane contracts. I could also name some in connection with gasoline. My information is that it would be well worth our time to go into some of them.

Mr. CASTLEDEN: And wartime housing.

Mr. JOHNSTON (Bow River): There is suspicion all over this country—the minister will admit it—that huge profits are being made. In instances where it is suggested—and there are good grounds for the suspicion—that excessive profits are being made, it would have been well for the committee to make an investigation. It would have cleared up a tremendous amount of misunderstanding and, by tending to raise the morale of the country, have definitely helped our war effort.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. JOHNSTON (Bow River): When the house rose I was discussing the apparently confused operations of the war expenditures committee. It seems that there has been a great deal of confusion over the order of reference relating to this committee. It must be evident to the house that there should be a clarifying of this order of reference. I was interested in the remark of the Minister of National War Services (Mr. Thorson) in regard to the Department of Munitions and Supply when he said it was one of the greatest achievements of the war. He pointed out that under this department something over a billion dollars had been spent in the setting up of government-owned industries. I think the minister is perfectly right in saying that the Department of Munitions and Supply is one of the most important departments of the government at this time. I have persistently maintained that that department, which controls the production of this country, is most important, and we should not overlook the fact that that department should have, shall I say, a thorough investigation, not that I am trying to imply that the minister in charge is inefficient in handling that department, but in view of the great importance of that department.

The Minister of National War Services also tried to differentiate between a secret session and a session held in camera. I agree with the greater part of that statement; I can see a decided advantage, if it is properly handled, in the committee itself sitting in camera, if it is clearly understood that when the report of the committee is brought back to the house and concurrence in that report is moved, the members of this house in secret session be allowed to go into every detail of the work that was carried on in the committee. I do not think it is right that that committee should carry on its work in camera and the members of this house as representatives of the people of Canada have absolutely no information as to what was going on. It is also a matter of note that members of this house are ignorant of what policies or recommendations of the committee were accepted by the government itself. I recall just lately one of the members who was on that committee stating that he did not know of one recommendation of the committee that was adopted by the government. That seems to make the committee useless.

I also note that in the entire work of the committee they had only eighty-three sittings. That does not seem to be anything approaching a thorough investigation of the problems set before that committee. The work was thought to be so voluminous that the committee divided itself into three parts, each part taking a separate portion of the work. But my understanding is that never did those three subcommittees sit at the same time, on the same day; the reason being that there was a shortage of reporting staff. That is rather shocking, when you think of a committee of that size going to all the trouble they did go to, staying here in Ottawa away from their own work during those six weeks; yet one of those committees at least had to sit idly by because the reporting staff was not large enough to take care of the three subcommittees sitting together. Therefore it seems to have been useless to set up three subcommittees, especially when they worked only two or three hours a day.

I am not trying at all to belittle the work of the committee, because from reading the record I know that a great deal of strenuous work was carried on by it. Yet I am told that there was a great deal of confusion among the members of the committee themselves, not knowing where they were going. I hope that having had the experience of the past year's work in that regard, the Prime Minister will see to it that those difficulties are removed.

The work of the committee must necessarily entail a great deal of interviewing of officials from different departments to get the detailed information that the committee requires. But I cannot bring myself to believe that the committee will ever get anywhere unless it examines more thoroughly into the contracts, regardless of what the Minister of National War Services said, as chairman of that committee, that it was not a fact-finding committee. I really do not know what that term involves. He said it was not the function of the committee to investigate particular contracts. I think there will have to be a re-examination of the order of procedure of the whole thing.

Giving all due credit to the members of the committee for the work they did and the laborious time they had, I often doubt whether the results were worth the efforts made. It may be recalled that, speaking in the house a couple of weeks ago, referring to this committee, I expressed the opinion that the scope of reference should be widened to include production and the organization of production. I am more convinced now than I ever was that that is our problem, and that is why I referred a moment ago particularly to the Department of Munitions and Supply. If we are going to win this war we must get rid of that inferiority complex, saying that we are doing well enough. When a question is put to a minister in regard to contracts with a certain company, the reply is usually, "Well, that company has more contracts now than it ever had in its history." That is no answer to the question at all. Surely to goodness in war time it should not be a matter of whether or not a company has more contracts than it ever had before. The point should be, is it producing to capacity; could it produce more if certain changes were made. Perhaps we have now reached the point where some headway can be made, for in my opinion that is the most important question confronting this nation at the present time, and it seems to be the question that is most evaded.

I do not want to belittle the suggestion that the saving of money is important, but, after all, that is not my great concern at this time. I think money should be made the servant and not the master of this nation. I do not want to criticize the Minister of Munitions and Supply (Mr. Howe) too severely, but I am quite convinced that he is not capable of carrying on the tremendous work of placing orders, checking those orders, checking costs and all the other work that is entailed in seeing that the production organization of this country is such that we can carry on at maximum capacity. The expression has often been used, even by the Prime Minister (Mr. Mackenzie King) himself, that we are doing a marvellous job, that we are producing 100 per cent to capacity. Certainly that is not correct, and I think it is the wrong sort of propaganda to be putting out to the country. The fact is that though I have visited a number of factories I have never found one which, in my opinion, was doing what it should be doing, that is, working to anywhere near capacity. For us to go out and tell this nation that we are producing to capacity is, in my opinion, breaking down the morale of the people. They have only to walk by the factories to see the situation. They see some of them closing at five o'clock in the afternoon. They go by the employment offices in the cities and see hundreds of men unemployed. Finally they reach the point where they say, "Well, if the government is not more concerned about the safety of the empire than that, why should we worry?"

I have spoken to men working in certain factories. I have been told that the manager of a plant deliberately told his men that they must not work so quickly. One chap told me that the manager of a factory producing war material had this to say to him. This man's job was boring holes in pieces of iron. The foreman of the factory said, "We want you to drill fifteen holes to-day". The man replied, "Why, I can drill thirty." The manager said, "We are not asking you what you can do. We are telling you to drill fifteen." The man answered, "All right; I will drill two if you say so." This is the sort of thing that should be looked into by this committee, I contend, and this is exactly what I want to point out to the Prime Minister. I do not think the Minister of Munitions and Supply has time to investigate all these cases, but when members of this house have information such as this, I believe the committee should conduct a thorough investigation. Another man in the same factory, whose job was sawing metal, told me that the foreman said to him, "When anyone comes by, pretend you are cutting this piece of steel in two." Imagine that; he was to pretend he was doing some work!

We know that in the past delegations of workmen have come to Ottawa to interview various ministers. These skilled mechanics have come here from factories producing army trucks, and so on. They did not come to ask for any increase in wages; they came to complain because the factory was deliberately slowing down its production. I do not need to tell hon. members what plants I have in mind; they know. These are perhaps the three largest plants in Canada. If the cabinet have not already interviewed another of these committees, they soon will be meeting a group of men who are coming down to see them in regard to paper production in Canada. I was astonished to hear, as I think the Prime Minister will be astonished when he hears, that although those in charge of the salvage campaign are advertising far and wide that there is a great shortage of paper and that we must save every scrap of paper we can, there is one large paper mill in this country which, in war time, is working only three days a week.

Mr. HANSON (York-Sunbury): Where is that?

Mr. JOHNSTON (Bow River): That is the Abitibi plant.

Mr. LACROIX (Beauce): And the St. John Paper company in Quebec.

Mr. JOHNSTON (Bow River): I say to you, Mr. Speaker, that with a situation like that there is simply no use in talking about an all-out war effort, or in trying to keep up the morale of the people. These fellows said to me on the train, "You ought to walk down the streets of our town and hear what the people are saying about our war effort."

Mr. McIVOR: I do not think that is generally true, and I can give examples to the contrary.

Mr. JOHNSTON (Bow River): I am not going to permit the hon. gentleman to interrupt like that.

Mr. SPEAKER: Order.

Mr. JOHNSTON (Bow River): I want to ask you this, Mr. Speaker. Is it true in one instance? If it is, that is a crime. If it is true in the case I mentioned and in connection with the factory mentioned a moment ago by the hon. member for Beauce (Mr. Lacroix), here we have two factories at least that are working only part time. The mere fact that the hon. member for Fort William (Mr. McIvor) knows of one factory working full time is not evidence of an all-out war effort.

Mr. McIVOR: I know of more than one.

Mr. JOHNSTON (Bow River): I do not think we should be so narrow-minded as to confine all our attention to one little town on the map. It may be a nice little place; I am not trying to cast any reflections on it, but there are many more important places in Canada.

Within the last little while I have heard the Minister of Munitions and Supply say there was a shortage of steel. I do not believe that. I think that statement is absolutely incorrect, and I am going to tell you why. The rolling mills in Calgary quit work at five o'clock every afternoon. One of the men in the factory told me that they could produce three times the supply that they are producing.

An hon. MEMBER: Where will they get the scrap?

Mr. JOHNSTON (Bow River): There is scrap all over the country.

Mr. DONNELLY: Mr. Chairman, I should like—

[Mr. C. E. Johnston.]

Mr. JOHNSTON (Bow River): Who is making this speech? I should like the hon. member to rise in his place and tell what he knows about the war effort—or possibly tell what he does not know about it. I am not concerned about that.

Mr. DONNELLY: We asked that question of the president of the Canadian National Railways and he says he cannot get steel.

Mr. JOHNSTON (Bow River): Then let the hon. member ask this of the Canadian National: how many cars have the Canadian National given over to the Canadian Pacific?

Mr. DONNELLY: The Canadian National Railways president told us this afternoon that he could not get steel.

Mr. JOHNSTON (Bow River): That is a different subject which we will bring up later on. We have a little information in regard to that, too.

I have had the pleasure, too, of visiting different kinds of war factories. I have not visited one aircraft factory yet that has not told me that with a very small amount of change and without any great expense involved they could almost double their production in planes. That is supposed to be one of the most important things we need. They told me that certainly there would have to be a little expansion. But for us to sit here idly by, when the next six months may see either success or defeat in this war, and sit as members of parliament knowing that these manufacturers are deliberately held back by the government—well, I think that is a shame, and I think it is time the Prime Minister knew it.

Mr. MACKENZIE KING: May I say to my hon. friend that if manufacturers say they are deliberately held back by the government, they are saying something which they know nothing whatsoever about—less even than what my hon. friend knows. It seems to me my hon. friend has been made an easy mark by some of these concerns.

Some hon. MEMBERS: Hear, hear.

Mr. JOHNSTON (Bow River): Go ahead and clap! Clap this one off: I had the president of the Ottawa Car and Aircraft in this city tell me that he was working on planes for which he did not have a government contract, and he said, "The only reason why I don't shut down is that we are in hopes that the government will accept it. But we cannot wait on the government; they are too slow."

An hon. MEMBER: Did you say the Ottawa car?

Mr. JOHNSTON (Bow River): Yes, the Ottawa Car and Aircraft. Others were the same. It was in the paper that five hundred men were laid off, and I should like to ask the Prime Minister: Have they been put on again?

Mr. MACKENZIE KING: I say to my hon. friend that my knowledge of these things is not as full as my hon. friend's knowledge appears to be.

Mr. JOHNSTON (Bow River): I cannot hear.

Mr. MACKENZIE KING: I have not that omniscience, that knowledge of the entire war effort that my hon. friend appears to have.

Mr. JOHNSTON (Bow River): Then I am sorry for the Prime Minister.

Mr. MACKENZIE KING: He is taking everything that is being said to him as gospel truth. If he is prepared to make a charge with respect to any contract which is irregular or concerning any industry which is not performing its function because it is being held back by the government, then I will certainly ask the house immediately to grant him a committee of inquiry or have the matter referred to the public accounts committee. But if he cannot he had better not make such reflections.

Mr. JOHNSTON (Bow River): I am glad to see the Prime Minister is becoming alive to these issues. I think he is very much interested in them. I am not trying to cast reflections on the government at all, but I am endeavouring to draw its attention to a very important part of our war effort.

Mr. MACKENZIE KING: But my hon. friend is casting reflections on the government, on the war effort and on industry, and he is seeking to support his reflections by hearsay evidence.

Mr. JOHNSTON (Bow River): The Prime Minister should withdraw that statement, because I made a reference before in the house to these 500 men being laid off in the Ottawa Car and Aircraft, and made it to the Department of Labour. What did they do? They did not know about it. I asked a question on the order paper as to how many war industries were working twenty-four hours a day, seven days a week, 365 days of the year, and the department did not know. Then I asked how many were working only part time, and they did not even know that. So I say that is a commencing point from which the Prime Minister could start his investigation. How are we going to know whether we are making an all-out war effort or not? That is a proper function of the house committee.

I have a further suggestion to make, that the scope of this committee should be extended to include purchasing and production. My only desire is to see that every man we can put to work is out there working, and that every factory in this country is working 365 days in the year. My only wish is to see that the work is proceeding. Let them have things right at their finger-tips to go ahead, and let them do as much expanding as they would like to do. The statement made by the Prime Minister in the house that everything physically possible would be made financially possible—I believe that was the expression—had not, I think, much effect. I do not think that has been followed out.

One of the great fears under which this government is working, probably one of their own making, is that industry or big business has prevailed upon the government to such an extent that it has had to caution manufacturers that if we extend our war effort too greatly we are going to have too great a production, that we shall be making propeller shafts we cannot use, that we shall be making army trucks we cannot get rid of, and that we shall have too many things we shall not be able to use. It has a fear of what is going to happen after the war, instead of doing everything it possibly can to increase our war effort so that we shall be sure to win the war.

I am convinced that that is what is holding us back, or that that is one of the major factors. I believe one of the other factors to which reference has often been made in the house is the oil and gasoline supply. We are given to understand that we require oil and gasoline, and that this war might be lost for want of oil. Here again I direct my observations to the Department of Munitions and Supply. I do not believe the Minister of Munitions and Supply has time to look into all these things; but I do believe he has taken his advisers from the wrong sources.

I have some information in connection with the production of oil. I do not wish to go into too much detail, but my information—and incidentally I got it from the department—is that one of the reasons why the Alberta tar sands are not being developed is that the government believes it is not practicable at this time. So far as I can find out the only source from which the government has got its information is the heads of the big oil business, men who are either directly or indirectly financially controlling or interested in the production of oil in this country. My information is that it is a definitely established and proven fact that we can get oil and gasoline out of these tar sands and sell them on the commercial market to compete with the big oil companies, and that the by-products obtained

will more than pay for the manufacture of the gasoline. I have that from what I believe is a reliable source, from men who are interested in the oil business. They have never been able to make any headway with the government. I think there should be an investigation of this. I am quite convinced that Imperial Oil are not going to expand our oil industry unless they are forced to do so, or unless some other steps are taken to expand this industry. They are going to make the present supplies last, cross their fingers and hope that we shall win the war, so that after the war we shall not have increased production which would force them to bring down the price of gasoline.

Let me bring up another matter in this regard. Mention has been made about carburettors and other inventions, I believe by the hon. member for Macleod (Mr. Hansell). I think this is one matter that should receive consideration. I am referring to the carburettor which was advertised so widely in the papers. It will be recalled that it was stated that a carburettor had been invented which would take a car two hundred miles on a gallon of gasoline. In fact it came out in the press that this carburettor had been put on a car and an actual demonstration made with witnesses present.

Mr. THORSON: Do not believe everything you read in the papers.

Mr. JOHNSTON (Bow River): The minister should not believe everything he reads in the papers. He is a member of the government and he should see that these things are investigated. I should like to ask the minister, through you, Mr. Speaker: has the government ever made any investigation of this Pogue carburettor? The minister shakes his head. It is my opinion that the research bureau here in Ottawa does not even know that such a carburettor exists. I have gone a little further in my investigation; I know that it does exist.

Mr. THORSON: The carburettor certainly could not run a car two hundred miles on a gallon of gas.

Mr. JOHNSTON (Bow River): Why would that be?

Mr. THORSON: I have heard a good deal about that.

Mr. JOHNSTON (Bow River): If we are going to go into the science of this thing we might take an hour or two to debate it. I doubt the minister's remarks because I do not think he knows whether a gallon of gasoline can be made to run a car two hundred miles.

[Mr. C. E. Johnston.]

Mr. THORSON: I know there was no such carburettor ever made that could take a car two hundred miles on a gallon of gas.

Mr. JOHNSTON (Bow River): I should like to know how the minister knows. Here is another instance where there should be a thorough investigation. The minister doubts that there is a carburettor made which, when put upon a car, will run that car two hundred miles on a gallon of gasoline.

Mr. THORSON: I do not doubt at all; I know there is not.

Mr. JOHNSTON (Bow River): The minister is so sure of this, but I doubt his wisdom in this regard. I will put the minister on the safe side and say that if the car would go only one hundred miles on a gallon, half that distance, would it not be a matter worth investigating? If it would go only a quarter of that, just think what it would do for our present supply—it would double it. I say that if there is any possibility at all, it should be investigated.

Mr. THORSON: Get hold of Mr. Pogue and ask him to send it to the inventions board which checks on these things. You will find out that there never was such a carburettor.

Mr. JOHNSTON (Bow River): There is. If the minister does not know it, he should. We are in the midst of a war. The Minister of Munitions and Supply contradicted the Minister of National War Services because the former said in this house that the very carburettor about which we are talking was thoroughly investigated by a man in Winnipeg, and that this man in Winnipeg had spent $40,000 to see if it was any good.

Mr. THORSON: It was a different carburettor entirely.

Mr. JOHNSTON (Bow River): Than the one you are speaking of?

Mr. THORSON: The one you are speaking of now.

Mr. JOHNSTON (Bow River): No; it is the same carburettor. The minister is trying to back out of his statement because the Minister of Munitions and Supply did make that statement in the house.

Mr. THORSON: They were totally different carburettors.

Mr. JOHNSTON (Bow River): Hon. members across the house have taken a tremendous amount of my time, and I hope, Mr. Speaker, you will be a little lenient with me until I finish. I shall not be much longer.

Mr. SPEAKER: I regret to have to inform the hon. member that his time has elapsed.

Mr. JOHNSTON (Bow River): That is fine. I will remember that even though it is a minister speaking.

Mr. J. R. MacNICOL (Davenport): Mr. Speaker, in spite of the argument about carburettors and the bickering back and forth across the floor of the chamber during the course of this debate, I for one have learned more about the workings and objectives of this committee than I knew before the debate commenced. I had not intended taking any part in the debate until the hon. member for Renfrew South (Mr. McCann), the hon. member for Vancouver East (Mr. MacInnis), the hon. member for Lake Centre (Mr. Diefenbaker) and the minister himself had spoken. I am not going to detain the committee at any length. The hon. member for Renfrew South, as reported on page 1992 of *Hansard,* said:

> I laugh when I read the personnel of the committee, and I laugh at myself when I am put on the fisheries committee, when I do not know any more about lobsters or the fishing industry than other hon. gentlemen know about medicine.

I congratulate the hon. member for Renfrew South upon the contribution he has made to the debate. I hope that when the membership of committees is being considered, the Prime Minister (Mr. Mackenzie King) and other leaders in the house will remember what the hon. member has said. I am one of those who believe that a member appointed to a committee should have some knowledge of the matters that may be brought before that committee.

Mr. MACKENZIE KING: It is a good way to acquire knowledge.

Mr. MacNICOL: The four members from this side who have been appointed will, I believe, render excellent service on that committee. Two of them are manufacturers with large plants, and their long business experience in buying and selling, in organizing and building their plants should fit them to sit on a committee of this kind.

Mr. HANSON (York-Sunbury): How about the lawyers?

Mr. MacNICOL: Another one has had long experience in dealing with labour and in business. The fourth is a well known barrister who has sat on the bench and who has had the experience of weighing and sifting facts. I am quite pleased with the members from this group who have been placed on this committee. I have nothing to say about the other members of the committee; they are all good men, having a good deal of experience in many matters. Of the twenty-four, I believe fourteen are barristers; four are manufacturers, while the other four are farmers or closely associated with the soil in some way.

The hon. member for Renfrew South did not pass any comment on the members of the committee, nor do I. I agree with what he said, that the committee should be enlarged if it is to do better work. If that is to be done, I looked through the red book to see what hon. members could render excellent service on this committee. The hon. member for Eglinton (Mr. Hoblitzell), has had considerable experience, not only in business but in the erection of oil stations, buildings and so on for the distribution of oil.

He must have had a lot of experience that would be valuable to any committee set up to delve into contracts. The same thing applies to the hon. member for York East (Mr. McGregor), who is a contractor of some note over the whole province of Ontario. His experience ought to be of material assistance to a committee inquiring into contracts. The same thing applies to the hon. member for Prince Edward-Lennox (Mr. Tustin), who is a manufacturer, a dealer in lumber, a builder and contractor, and so forth. The hon. member for Prescott (Mr. Bertrand) is a business man with a lot of experience who would be valuable on the committee. Another hon. member who would be valuable on the committee is the senior member for Halifax (Mr. Isnor). I have observed him on committees and have always admired his keen ability to bore right into the centre of things. The hon. member for Victoria-Carleton (Mr. Hatfield), is one of the big business men of the maritime provinces. Another valuable member on the committee would be the hon. member for Charlotte (Mr. Hill). The hon. member for Queens-Lunenburg (Mr. Kinley), who is not in his seat at the moment, is a man with whom I have had much conversation, and I am convinced that with his wide knowledge of business and manufacturing he looks at business from a practical point of view. The hon. member for Beauce (Mr. Lacroix), whom I see in his seat to-night, would be a valuable member of the committee. He has had much experience in matters pertaining to lumber, timber and business of that kind. Many lumber contracts will come before the committee, and he could give excellent assistance to the committee. The hon. member for Waterloo North (Mr. Breithaupt) has

been associated for years with a large manufacturing business. I believe his family are one of the largest manufacturers in one line of business in Canada. I believe he would be an excellent choice for the committee. The hon. member for Ontario (Mr. Moore) would be of great assistance to the committee. There is, in my judgment, no more able man in matters pertaining to business. The hon. member for Northumberland, Ontario, (Mr. Fraser) is another business man who is an employer of labour and operates large plants. The hon. member for Peterborough West (Mr. Fraser) has had a lot of experience in manufacturing. Who has had more experience in timber and lumber contracting than the hon. member for Skeena (Mr. Hanson)? Then there is the hon. member for Yale (Mr. Stirling), an able engineer. He would be an excellent member on such a committee. I do not believe that an engineer has been named to the committee. I am afraid I am leaving many out. The hon. member for Lincoln (Mr. Lockhart) is another prominent business man with a wide experience in contracting which would be valuable to the committee. The hon. member for Dufferin-Simcoe (Mr. Rowe) is associated with one of the large paper businesses in Canada. While that line of business has not been much discussed in parliament lately, it was referred to by the hon. member who has just taken his seat (Mr. Johnston, Bow River). He would be a valuable member of the committee. Then men like the hon. member for Kent, Ontario, (Mr. Desmond), the hon. member for Huron North (Mr. Cardiff), the hon. member for Haldimand (Mr. Senn), are all farmers with wide experience in cattle raising and in the meat industry. All of the men I have mentioned, as well as many others I could name, would be of great assistance to the committee.

Mr. MACKENZIE KING: What about the hon. member for Davenport (Mr. MacNicol)? Has my hon. friend forgotten him?

Mr. MacNICOL: Others have had more experience than I have had. Therefore, if the suggestion made by the hon. member for Renfrew South is to be considered and the membership widened, I suggest that some of those I have mentioned be appointed to the committee. It might also be necessary to appoint one or two more barristers who are trained to look into contracts, but I would not have a committee composed entirely of barristers. I would have a good number of practical men on the committee. I am not saying that barristers are not practical men, but they are not as practical as men who work in business and in industry, such as the hon. member for Danforth (Mr. Harris), the hon. member for Waterloo South (Mr. Homuth) and other members I have named. That is all I have to say about the personnel of the committee.

The Minister of National War Services (Mr. Thorson) this afternoon lauded the government plants. I am not going to say anything against them because I do not think that criticism of the government plants would help the war effort, and by criticism I mean denunciation of them. I suppose the government built its own plants, or had others build them, because manufacturers may not have wanted to assume the first cost of manufacturing special munitions of war without being compensated. But I disagree with the minister when he states that these plants are operating at 100 per cent efficient capacity in all cases. He may not have said that in so many words, but he gave that impression. I tell the minister that, in my opinion, no government plant can be operated 100 per cent efficiently, and that is not finding fault with the plant itself. It is merely because of the fact that it is the government that is operating the plant instead of a private individual or company. It is no reflection on the government, and so I hope the government will not take that as a criticism.

Let me give an example. My long experience in plants enables me on going through a plant to form my own judgment as to how the plant is being operated, whether it is being operated as I had to operate a plant. I have been in different plants operated by the government where I have seen at times many men standing idle by their machines for some considerable time. It was not the men's fault because I have talked with these men and asked them why they were not working. They told me that their machines were not operating because the materials for their machines were not available or because the plant could not get the materials, and I presume that the government, being a benevolent employer, does not do what a private operator is compelled to do when there is no material available to keep a machine operating. There is only one thing the private operator can do in such a case, and that is to send the men home. But the government does not need to do that because it has all that is required, so far as finances are concerned, to operate the plant. Let me say right here that I am not in accord with sending men home simply because the material is not available for them to work with. It is not fair to the workmen, and I

hope when this war is over and the whole set-up pertaining to labour is reorganized, that men present and willing to work in the plant in which they are engaged but not having the material to work with, will be compensated if they are laid off through no fault of their own. I think the time has gone by when the working man—and I was one for years—can be called back and forth at the will of the operator of the plant. It is not fair to the working man. It is not just. So perhaps, when the government or those who are operating these plants for the government, when they keep a man on, standing around doing nothing, are doing it because of humanitarian reasons. I look forward to the day when the working man will be treated throughout the whole of industry as he ought to be treated. But as I said, the minister was wrong, if unintentionally. He must know that a government-operated plant cannot function with the same degree of efficiency as a private institution properly managed.

The hon. member for Vancouver East said, if I remember it correctly, that not a single contract had been investigated since the committee was set up. The hon. member for Lake Centre asserted that the committee of which he was a member had not sat for more than thirty or forty hours altogether since it was constituted. If contracts are not to be investigated where necessary—I do not mean all contracts, for, as the minister well said, that would be impossible—the committee is not performing one of its most important duties. I do not suggest that the purpose of investigating a contract should be to unearth a scandal. I would be opposed to blazing before the public any scandal in connection with a government contract. Where the chairman or the minister has received evidence of something wrong, I would endorse an investigation in camera; first because, as the minister said, the publicizing to the country of scandals in time of war will not help the national effort; second, the purpose of such an investigation should not be to publish scandal but to encourage responsible authority to take the measures necessary to prevent a recurrence of what has been found wrong. There is a saying handed down by the Great Teacher, "He that is without sin among you, let him first cast a stone." All my life I have been careful about casting stones against anybody. You can never tell how far they are going to roll.

An hon. MEMBER: They might rebound.

Mr. MacNICOL: There are things which a committee could find out that might be rectified. I myself have made a number of investigations. Recently I inspected a building which had been erected under the government's direction. I am not condemning the government on account of what contractors or the men under their direction do, nor am I relating this to show that there is anything wrong other than extravagance. The boards on the exterior of the framework were planed on both sides; tarpaper or some other kind of insulating paper was attached to the outside planed surface, and then another, better sheathing was put outside that. On the inside, of course, the scantlings were lathed and plastered. The building was a large one and required a great quantity of this kind of lumber. As I went through the place, examining it, I thought to myself, for what reason would many, perhaps hundreds of thousands of feet of lumber, which is covered on one side with scantling, lathed and plastered, and covered on the other side with paper, be planed on both sides? Lumbermen may say that it costs no more than rough lumber, but it does not seem to me that that can be so; surely lumber costs more planed than unplaned. This is not a crime, but it is an extravagance. In these times, when the minister by means of large paid advertisements is begging everybody to save every scrap of paper, every bit of brass, every piece of iron which can be saved, for what reason is such high-class lumber used only to be covered up?

Let me mention another case. Perhaps the boiler part of the John Inglis plant is not under the government, but at any rate one section of the plant makes boilers and another part makes small arms. In a government building only a stone's throw from the John Inglis plant two boilers were installed which, if my memory serves me aright, came from a plant many miles away. Perhaps the John Inglis company did not have boilers on hand; but it struck me, after twenty-five years of keen business experience, as a most peculiar thing to transport boilers a thousand miles for installation in a building so close to a plant which is under government direction and which manufactures boilers.

One day I talked to a man who was trucking material from Hamilton. Its final destination was Niagara Falls, but first it was brought to Toronto and then it went to Camp Borden. I asked the man, "Why are you going to Camp Borden?" He said, "Oh, that is where it is to be inspected." So it was to be taken to Camp Borden, in Simcoe county, fifty miles or more from Toronto, then brought back to Toronto, then along the Hamilton highway to Niagara Falls, where the material was to be installed.

Perhaps such things as these cannot be avoided, but I believe if they were brought

before a committee examining into contracts they would represent only a few of very many instances where savings could be made. At this time everybody should exert the utmost possible effort to economize. The main purpose of this committee should be to bring about economy; if it does that, it will have done something worth while.

In the course of his address the minister, as I understood him, referred to the eighth report, which was in connection with medical work. At that time I said to myself, "I will check over the names of the committee to see if there is a doctor on it", and I did not find one. I assume that that fact is what inspired the very apt remarks of the hon. member for Renfrew South. In any event, how a committee composed of everyone but doctors can issue a medical report is more than I can understand. So I will say to the hon. member for Renfrew South that I agree that there should be a doctor on the committee. As the hon. member for Danforth said, the question of hospitals was considered by the committee, and on anything pertaining to hospitals of course the hon. member for Renfrew South or the hon. member for Wood Mountain (Mr. Donnelly) or any other medical doctor in the House of Commons would be an excellent addition to the committee.

Last year on June 10, the hon. member for Danforth made some very constructive remarks. In some of them he went after the committee or the committee's report pretty hard, which led me to believe that the committee was a useless committee as I said this afternoon, but perhaps it was not as useless as the word would imply. The hon. member said, as reported on page 3764 of *Hansard* of June 10, 1941:

> Let the private serving in the ranks know that we are helping. Let the contractor who wants to obtain a government contract know that we are not only helping him but also watching him, in order to see that the contract is fair and right.

That is good, sound doctrine; no one can object to that. The hon. member was not seeking scandal when he said that; he talked as a business man of many years' experience, for he has to operate his plant with the greatest care. He cannot afford to pay two prices for the material he buys, nor can he waste money; he has to run his plant in a business way, and that is why he made this statement:

> Let the officers in our camps, who are looking after the men, know that we are anxious to help them, but that any extravagance on their part is going to be checked.

I hope that when the committee reconvenes, all matters such as the hon. member for Danforth has mentioned will be subject to scrutiny by that committee; not to find scandals, far from it, but to effect economies, as the minister says is the purpose of the committee.

That, I think, covers all I have to say in connection with the committee. If the Prime Minister does follow the suggestion of the hon. member for Renfrew South, I hope he will nominate some of these able members that I mentioned or others I could have mentioned, who would bring to that committee a wealth of experience in handling contracts, in buying, in selling, in engineering, in various lines of big business, experience that would enable them to present to the government something constructive and to assist the government in carrying on this war activity as these men who are in business have to carry on their own businesses.

Mr. LIGUORI LACOMBE (Laval-Two Mountains): Mr. Speaker the preamble of the resolution now under discussion reads as follows:

> Resolved that a select committee be appointed to examine the expenditure defrayed out of moneys provided by parliament for the defence services, and for other services directly connected with the war, and to report what, if any, economies consistent with the execution of the policy decided by the government may be effected therein,

The committee of inquiry on war expenditures with which the house is now dealing should not, this time, be content with skimming the subject. The Canadian people, who are staggering under a heavy burden of taxes and who lend their savings to the government for the prosecution of war, have a right to know how the public moneys are spent. It is high time that light should be thrown upon these abuses that are so frequently pointed out to us.

I have condemned in parliament and on the hustings the wastefulness which has been discovered in the granting of contracts for foodstuffs by the government to some companies which have made profits of 18 to 20 cents per pound on the butter sold to military training camps. I have urged the government to curb the wanton greed of the same contractors, who are still delivering to the army, at prices varying from $2 to $2.50 a bag, potatoes that were put in storage at 50 and 60 cents a bag, at the beginning of last fall and winter. I have directed the attention of the Minister of Munitions and Supply upon the theft of foodstuffs intended for the soldiers at Valcartier. I ask the government, moreover, to conduct a searching inquiry upon the disappearance of 240 wool blankets

out of 5,000 delivered to military district No. 5 by a manufacturer of Cap St. Ignace. The Canadian people, as well as parliament, have the right and the duty to track down at all times and everywhere those who are guilty of dishonesty. Is it true that there was a shortage of coal at the Petawawa military camp last winter, while the temperature was 20 or 30 degrees below zero?

If this is so, what are the causes of this shortage and who is responsible for it? The proposed investigation should bear on all irregularities and abuses which, rumour has it, are occurring in our war plants. It is the government's inescapable duty to investigate the wastage of materials and man-power which certain persons, employed in these industries as foremen or labourers, unceasingly report to us. It is high time parliament reassumed control over public expenditures. The bureaucracy and the civil service have everywhere replaced the representatives of the people, and responsible government is about to expire in the hands of a man, who, in 1926, showered Lord Byng of Vimy with the thunderbolts of government responsible to the people. "The king reigns but does not govern," he cried at the time. Who is governing to-day? A gang of bureaucrats who ceaslessly trample underfoot the privileges of the elected representatives of the people. Who is governing to-day? Boards established by order in council without consulting parliament. Who is governing to-day? The Canadian Broadcasting Corporation, the most pernicious instrument of election propaganda ever known. Who is governing to-day? The Wartime Prices and Trade Board, where flourishes already the most cynical favouritism toward trusts and companies in the very good graces of the administration. Who is governing to-day? Shady contractors dealing with the department of munitions and supply, who pay the cost of monstrous advertisements for the purpose of eliciting a "Yes" vote from the people at the plebiscite. Who is governing to-day? The trusts, friendly to the government, who, under the minister of revenue's signature, were already abusing those who would vote "No" on plebiscite day, comparing them to Hitler.

Mr. Speaker, never, in the course of the last century, has our country assumed a more colonial status in the hands of this oligarchy which threatens to make short-work of provincial autonomy, of our constitution, our laws, our agriculture, our industries, our commerce, our man power, our youth and all the living strength of the nation.

How deplorable is the ignorance of dishonesty of the bureaucracy who recently froze the price of maple syrup at last year's level, without considering the cost of labour which has increased threefold. This is not all. The public accounts committee, who seem to be nothing but a name, should hold meetings as soon as possible. This committee should be empowered to scrutinize all war contracts and first those awarded to the government's pets, Messrs. J. A. A. Leclair and J. H. Dupuis, the first being the chief organizer of the Quebec provincial Liberal machine. Here are the values of the contracts awarded to Messrs. J. A. A. Leclair and Dupuis: $29,591.63, $34,-684.13, $7,793.64, $27,700; and the amounts already paid to the same contractors, Mr. Speaker, are as follows: $29,591.63, $34,684.13, $7,792.64.

After this contractor is paid a further amount of $27,500, he will have received approximately $100,000. In view of the peculiar position of J. A. A. Leclair in the Liberal party set-up, it is essential that we have all details and correspondence regarding these contracts.

As to the provincial member for Laval, Mr. François Leduc, civil engineer, this foremost promoter of an affirmative answer to the plebiscite question, has received from the federal government, from September 7, 1940, to December 1, 1941, the sizeable amount of $14,379.69. What for? In payment for professional advice and inspection services in connection with the Bagotville and Mont Joli airports.

From now on, there will be no mystery as to why the provincial member for Laval seconded the amendment to the Chaloult motion at the Quebec legislature.

Let us now revert to the present administration's abuses. The Canadian Broadcasting Corporation, during the plebiscite campaign, which has cost millions of dollars to the country, have resorted to shameless discrimination. Who will pay for the broadcasting of the speeches delivered by the Prime Minister (Mr. Mackenzie King), the cabinet members and the party leaders who supported him?

Mr. DEPUTY SPEAKER: Order! The hon. member must resume his seat. I call the hon. member's attention to the fact that the motion before the house does not warrant a discussion of the Canadian Broadcasting Corporation nor of government administrative orders. The matter submitted to the house is the expediency of forming a committee to investigate war expenditures. The hon. member may not review the various contracts awarded by the Department of Munitions and Supply, as this will be the task

of the committee. The matter submitted to the house is simply the advisability of forming such a committee.

Mr. LACOMBE: Mr. Speaker, submitting to your ruling, I now revert to the subject.

What a prodigal spirit seems to animate our governments. Never have expenditures been higher, never have so many gifts been made at the expense of our national economy. According to reliable information, our forest resources are being dissipated on the spot. Considerable quantities of wood, copper, steel and even oil and gasoline are being shamefully wasted in our war plants. When will these reprehensible abuses come to an end? Let the committee see to it and enquire into the smallest details.

Moreover, the R.C.M.P. should be authorized to search and keep an eye on registrars' offices throughout the country. We all know, Mr. Speaker, the disgusting transactions that have taken place in some of these offices. Exemptions have been sold to Rumanians, Syrians, and even to citizens hailing from countries now at war with us. I have often been told that favouritism, bought with gold, has covered up many other cases to the detriment of fairness and honesty, of the war effort and the defence of this country.

Lastly, there is another matter which the committee should not overlook, that is the expropriation of lands required for war industries, aerodromes, military camps, and so forth. Why should the 4,000 acres of land formerly belonging to Georges Vandelac, of Montreal, and which he purchased from the Terrebonne county council for less than $200, for the taxes owing on the property, have been sold to the authorities for a price of $44,000?

Mr. FAUTEUX: I rise to a point of order.

Mr. LACOMBE: That should prove to be a very interesting matter.

Mr. DEPUTY SPEAKER: Order! The hon. member for Sainte-Marie has risen to a point of order.

Mr. FAUTEUX: I believe that the hon. member for Laval-Two Mountains, discussing in this house the advisability of forming an investigation committee, has no right to name certain persons and to bring against them charges of having obtained favours and money under false pretences. He named a moment ago Mr. Leclair, among others. I think—

Mr. LACOMBE: Mr. Speaker, on this point of order I would remind my hon. colleague for Sainte-Marie that he is out of order. He is not entitled to make a speech aside from the point of order he has raised.

[Mr. Deputy Speaker.]

Mr. DEPUTY SPEAKER: Are there any members who wish to speak on the point of order? If not, I must once again bring to the attention of the hon. member who has the floor that he must not go into facts which will be examined later by the committee. I have already pointed out to the hon. member for Laval-Two Mountains, that it is not in order to cover details when one is speaking on the question of principle, on the advisability of forming a committee. I trust that the hon. member will heed this further warning.

Mr. LACOMBE: Mr. Speaker, I shall conclude my remarks in a few moments. However, since the hon. member for Sainte-Marie, speaking on a point of order, has taken a hand in the debate, I wish to tell him without further ado that I have brought no charges against anyone. I merely pointed out to the house the amount of certain contracts awarded to certain people and I asked that they be scrutinized. That is all. I did not make any charge. The committee will attend to that. It will be its duty to do so. The honourable member has not understood me; neither have the electors of St. Mary at the last election and still less on the occasion of the plebiscite.

Mr. FAUTEUX: That is why your candidate was defeated.

Mr. LACOMBE: I believe the hon. member will be defeated by a majority of 22,000 at the next election and that he will swallow his pill once for all.

Mr. DEPUTY SPEAKER: I must direct the attention of the hon. member to the matter that is now before the house. The plebiscite is not under discussion. The honourable member has no right to discuss it at this time.

Mr. LACOMBE: Mr. Speaker, I do not intend to discuss the plebiscite, but the holding of that plebiscite was ordered by the house on a matter closely connected with the war.

Mr. DEPUTY SPEAKER: The matter is settled by the decision I have given. Will the hon. member now discuss the subject that is before the house?

Mr. LACOMBE: Mr. Speaker, let the committee which will sit shortly be relentless and adamant; let it summon all witnesses whose examination may be essential if the necessary evidence is to be obtained, and it will render a splendid service to the country and the Canadian ratepayers.

Mr. G. H. CASTLEDEN (Yorkton): Mr. Speaker, there will be considerable consternation and dismay across this country when the people learn that, with the exception of a few weeks in the past year, the war expenditures committee has not been sitting. I think their consternation will be doubled when they learn from the observation of the chairman of that committee, the Minister of National War Services (Mr. Thorson) that the committee as constituted was not concerned primarily with the terms of contracts and the money spent on contracts. Pious platitudes about investigation of principles involved, and talk about the great trust and confidence the people must have in the government are scarcely good enough. Experiences in the past do not lead the people to place too much trust in those who, in many instances, have been given positions of trust in connection with public moneys.

All, I think, was not well in the Bren machine-gun contract. All was not well, I think, with certain purchases for officers' quarters in Vancouver. All was not well, I believe, with regard to the rental of certain buildings in Montreal. All was not well in the last war, and I am not satisfied that all is well in this one.

The minister has said that the job was to find out where savings could be made, and yet he says they did not investigate any contract. I think the duty of the committee is to investigate contracts. It should divide up the work, take the various types of contracts and go into them deeply and minutely. How can any committee recommend economies unless they know what the expenditures were for, and what type of work or service was given, or what type of construction was erected for the expenditure made? It will not be well for this government to try to whitewash the expenditures that are being made.

We have been spending money at a terrific rate. I wonder how many people in Canada realize it is likely that in this year alone the war expenditures will amount to almost as much as was the national debt in 1939. Each month we used to receive a record of contracts awarded. Those contracts were listed in a big book of about 500 pages, and the information was about six months old. But we do not get even those books nowadays. All we were told in those old contracts records was that on a certain date a certain contractor, whose name and address were given, had been placed under contract to supply a commodity. The date and the amount were given, along with the order in council covering the transaction.

For instance, Meakins and Sons of 125 Wellington street north, Hamilton, Ontario, were given a contract for boot polishing brushes on November 16, 1940, such contract amounting to $13,400. How many boot polishing brushes there were we are not told. I hope we have plenty of them. Then, we have a record of the National Steel Car Corporation, Lysander division, supplying Lysander aircraft spares to the value of $138,914. There are many details of that kind which the people of Canada should know, in view of the rate at which contracts are being made. I believe at the present time our contracts probably number about half a million. If the committee were to spend fifteen minutes on each contract, which it won't; and if it were to work ten hours a day, which it won't; and if it were to work 300 days in the year, which it won't, it would take the committee forty years to get through the contracts. The government had better put some young members on the committee.

I am not suggesting that every little contract of a few dollars should be investigated, but there is a large number of them which should be considered carefully. A return was tabled in the house a short time ago, in answer to a question to the Department of Munitions and Supply, in which it was shown that 300 contractors had been given one or more contracts on a cost-plus basis. Those 300 contractors should be investigated thoroughly. It is that cost-plus type of contract about which the people feel dubious.

Why there has been all this delay in setting up the committee is something for which the government will have to answer some day. The committee should have been working for the past two and a half years, at least, and it should be constantly tabling its reports. Not only should the reports be tabled, but the time of the house should be taken up in discussing them. The committee which sat last year tabled its report, but there was no discussion. That is scarcely good enough. I do not know what the delay is, but I believe there are certain contracting companies which have gone bankrupt but which a year ago were doing work for the government. It will not do much good to investigate their contracts, if nobody will be responsible for them. No one will be responsible; there will be no way of obtaining redress, and we are going to be in a rather bad way. This committee is going to have to divide itself into half a dozen subcommittees, and each one of those half dozen subcommittees should have the power to bring in other members of the house and to call on other persons to assist in looking into the contract business. I

should like the Prime Minister (Mr. Mackenzie King) to give the house the assurance now that it will be the duty of this committee to investigate all expenditures. The resolution reads:

> That a select committee be appointed to examine the expenditure defrayed out of moneys provided by parliament for the defence services, and for other services directly connected with the war.

There is a question of what interpretation may be placed upon the phrase "other services directly connected with the war". I suppose it is possible the committee may decide that it should not investigate wartime housing because that is not directly connected with the war. I maintain that it is connected witth the war, and very directly. All expenditures of money passed by parliament should be a matter of investigation by parliament, and a report should be handed down and discussed here. Otherwise this parliament is not doing its duty to the Canadian people.

The Canadian people want to know that when their money is being spent they are getting a dollar's value for every dollar expended. They should be given the assurance—and this is most important whether the government thinks it is or not—that when they are giving their sons and their brothers, their fathers and their husbands to die in this conflict, no person will be permitted to use this terrible crisis as an opportunity to fill his pockets with a lot of tax-free bonds.

Mr. R. W. GLADSTONE (Wellington South): Mr. Speaker, the making of steel is a gigantic enterprise. I am prompted to refer to this industry because of some statements which were made by the hon. member for Bow River (Mr. Johnston). His remarks showed that he was getting into pretty deep water when he attempted to discuss the manufacture of machines fabricated from iron and steel. Last year the amount of ore shipped from the head of the lakes was some 80,000,000 tons, and enormous shipments were made from Newfoundland to the steel Mills of Nova Scotia. The ore is brought down to the steel mills, which are generally located conveniently to coal.

The first process is in the blast furnace. These blast furnaces are constructed of a great variety of materials, and many other materials enter into the process of making pig-iron. The next development is the production of steel and steel alloys made with combinations of nickel, chromium, molybdenum and other things brought from various parts of the world. The hon. member for Bow River referred to the plant at Calgary, and we are all proud to know that there is the beginning of a steel and iron industry in that city. This industry will make use of pig-iron produced in these great blast furnaces as well as scrap iron collected in that part of the country. We must, however, realize that the manufacture of special steels, such as are used in aeroplanes, is not possible in a small plant of that kind. Steel that is used for different purposes must possess different qualities, such as elasticity, elongation, resistance to fracture and so forth.

The making of aeroplanes is also a gigantic enterprise. Aeroplanes are not constructed of one material; their manufacture necessitates the use of textiles, rubber and many other things. The first operation in constructing an aeroplane is carried out in these wooden buildings here in Ottawa—the designing that is done on the draughting tables and so forth. The next step is the manufacture of gauges, dies, tools, et cetera. In order to assemble an aeroplane, the products of many industries must be brought together. These include propellers, precision instruments and the products of industries in all parts of the country. I am giving this picture to indicate, first, that it cannot be expected that a small industry like this one in the west, far removed from the great volume of business of the eastern plants, whose production is devoted almost wholly to structural steel, could produce the great varieties of iron and steel that are required in our war industries.

In the production of an aeroplane it cannot be expected that there will never be any shortage of parts or materials. It is a well known fact that as the process of manufacture goes on, certain parts will pile up, while others will be missing due to unforeseen causes. This is not the fault of the manufacturer or the assembler; these delays have arisen in plants perhaps one or two thousand miles away, and they may have been caused by the non-arrival of certain component parts or materials from distant parts of the world. One cannot speak lightly of or criticize a situation about which he knows very little and into which so many elements enter.

All this gives us some idea of the responsibilities that rest upon the shoulders of our Minister of Munitions and Supply (Mr. Howe) and of the wonderful work he has done in building up the organization we have here. It has been necessary for him to call in experts from every line of industry in order that he may have the best advice, so that

the whole effort can be coordinated with the least possible delay and bring forth the greatest efficiency.

During my seven years in parliament I have seldom taken a strong political attitude. I may be regarded as rather a poor politician in a sense. It is my desire rather, always to view the problems that come before us from a business point of view and to contribute something, if I may, from that point of view. I had an opportunity during the past year of serving on the war expenditures committee, and I for one see many very important results of its work over a few months. The object of the committee is to promote efficiency, to save money, and to correct conditions that hamper our war effort and hurt our people. I am sure that in some respects the work of the committee has contributed a great deal toward giving confidence to our people as to the necessity of the efforts being put forward. While errors have been discovered, there has been a willingness and a desire on the part of those affected to have them corrected.

The statement was made to-day that there is a widespread feeling that enormous sums of money were being wasted, or possibly the statement was to the effect that millionaires were being created. That is a totally inaccurate statement. I am sure the people are confident that no millionaires are being created in this war, and there is also the circumstance that if they are being or should be created, there will, at all events, be no reward in the form of titles after this war is over.

There are many things for which the committee might well be praised, but it would not serve any useful purpose. I think it would be much better if I were to mention some ways in which we might improve our methods for the future, and this I shall endeavour to do briefly. Possibly I may be taken as criticizing the government's effort; but the function of this committee, I believe, is to act as a non-political group, looking to the promotion of efficiency and the saving of money in our war effort. I believe the attitude of the public so far has been that there has been justification for the committee, and that through the experience already gained there will be further opportunity for making corrections and promoting efficiency. If there has been any weakness or any handicap at all, I think it has been due to political psychology, a sort of feeling, perhaps, that the Liberals may mistrust the Conservatives and the Conservatives the Liberals, and even some of the other parties may be involved, for I think it may be said that they, too, are rapidly acquiring some of those qualities or attitudes of the older parties which come under public criticism most frequently. So I would say, Mr. Speaker, that for the greater effectiveness of this committee we should endeavour to get rid in every possible way of this bone of contention that the committee may be desiring or is endeavouring to serve some political purpose to cover up certain situations. From my experience I would say that that is far from the truth.

This attitude of political fear seems to be closely associated with the question of open or closed meetings. There are advantages in some respects in closed meetings, and at other times there are advantages in open meetings. As has been stated, open meetings discourage at times the giving of evidence freely, and they may also foster the political viewpoint. Consequently, in an open meeting a member often makes a statement which gets a headline in the press; in using the head-line the press will refer to the speaker as a member of a certain political party, and so the press report itself gives a tinge of politics to the work of the war expenditures committee. It is inevitable that the press at open meetings should attempt to give publicity to the proceedings of the committee. That factor is eliminated in closed meetings. If we could have the assurance that political considerations were entirely eliminated by all parties represented on the committee, then I think the suggestion that has been made by some members of the opposition, that the membership of the committee be increased, could very well be regarded as having some merit. I believe that additional members of the opposition groups could contribute to the work of the committee.

One hon. member has referred to the fact that only eighty-three sittings were held during the year, taking up some 280 hours. That to a large extent is due to procedure and red tape. It is my feeling that even though the war expenditures committee is a committee organized to promote economy and efficiency, its own procedure in some respects was not of the best. Much waiting resulted from the fact that every word of evidence had to be taken down. I do not believe such a thing would be countenanced by a board of directors discussing a large business undertaking, and without this necessity of taking down every spoken word there would have been the opportunity of holding a great many more meetings than were held. It is, I think, a weakness of the committee that we have had too much of this documentary procedure. There has been a great deal of interviewing witnesses beforehand, of

which procedure one can hardly see the necessity; this, in turn, has imposed much work on the chairman of the committee. It seems to me that his work should be lightened by a wider distribution of the work among the members of the committee.

I believe that in some respects we were overstaffed, and that the money provided for the carrying on of the committee was expended too quickly. This caused postponements and adjournments and shortened the time that the committee operated. As a war expenditures committee we might set an example of economy, and in that respect we certainly were open to criticism.

The estimate provided for the committee contemplated the possibility of continued sittings during the adjournment of parliament. It seems to me that this committee should sit almost every week while parliament is in recess, and that in the estimates a generous sum should be provided so that the committee should not be under the necessity of adjourning through lack of funds. I am sure that every economy will be exercised, but the committee ought not to be handicapped in this direction.

A good start has been made; much experience has been gained, and I am sure that, realizing some of the imperfections of the past, we shall be able to expedite the work and get more direct results which will be well worth while. We ought to replace to some extent the rigid system of public administration by the more direct methods employed in any well-ordered business. Let us develop a new pattern of approach, using new methods, enliminating red tape, of which we had some, and adopting a procedure whereby we shall get at the kernel of the matters before us with the least possible expense.

I believe there is a great purpose to be served by this committee. Generous provision should be made so that, in whatever numbers are decided upon, the committee may sit continuously until we have a new parliament; and I trust that we shall rid ourselves of any thought of suspecting one another of playing for political advantage, and get down to the real work of correcting situations which are not right, and of assisting the government and the great organization associated with our enterprise, so that we may put forth the greatest possible effort on the part of Canada in the struggle in which we are engaged.

Hon. J. L. RALSTON (Minister of National Defence): Mr. Speaker, I desire to take about five minutes to put on record the facts with regard to three or four points which were mentioned by the hon. member for Lake Centre (Mr. Diefenbaker) with respect to recommendations of the committee affecting the administration of the elementary flying training and air observer schools.

The hon. member indicated that the house had not yet been told whether these recommendations had been implemented. I think he was unduly critical in that respect, because obviously my colleague the Minister of National Defence for Air (Mr. Power) will be here in connection with the resolution which is now before the house and will be giving a statement on matters which came up in connection with that committee, as those questions are raised. I do not believe there has been any opportunity yet for the army, the navy, the air or other departments affected formally to make a report to the house as to whether the recommendations have been put into effect. I want to say, speaking for the air force, the army and, I am sure, the navy as well, that reports have been prepared by these services to be presented to the committee in order to indicate the extent to which the recommendations in the report which was presented in November have been carried out.

Since, however, my hon. friend has mentioned two or three points and has indicated that we do not know whether they have been carried out, I should like to give the house this information.

In the first place my hon. friend said—I do not know where he got the information—that elementary schools are not conducted on a civilian basis in the old country.

Mr. DIEFENBAKER: Not to-day, was the evidence which was given.

Mr. RALSTON: Whether that evidence was given or not, the information I have is that some of the schools in England which were run on a civilian basis were turned to a service basis for a short time, but they are being turned back now and put on a civilian basis; and many of them were never changed.

I want to say also to my hon. friend—and I think he knows, although he did not mention the United States—that in the United States elementary schools are run by civilians. And by the way I do not see in the report of the committee any recommendation that the schools be changed from a civilian basis to a service one.

Mr. GOLDING: Far from it.

Mr. RALSTON: My hon. friend asked with regard to the recommendation that the contracts with elementary flying training schools should be amended to reduce the flying hour profits from 50 to 25 cents. That recommendation, I can tell the house, was implemented,

and the reduction was antedated to November, 1940, when the pupil population of each school was increased from 48 to 70.

Mr. HANSON (York-Sunbury): When was that done?

Mr. RALSTON: I cannot tell my hon. friend the exact date, but it was done some months ago, I am advised by the controller, Mr. Apedaile—

Mr. CASTLEDEN: Is that a net profit?

Mr. RALSTON: It is the profit which is referred to in the report of the committee, and the committee recommended that the profit be changed from 50 to 25 cents per flying hour.

Another recommendation was made that the training contracts with elementary flying training schools should be further amended to provide that all profits of the schools should be invested in non-interest bearing Dominion of Canada bonds; and that recommendation has been implemented.

Next, there was the recommendation referred to by the hon. member for Lake Centre that all contracts with air observer schools, which are also operated by civilians, should be amended to reduce flying hour profits by 65 per cent, that is to say, from $1 to 35 cents. That recommendation was implemented, and the reduction was antedated to June 1, 1941.

Another point which my hon. friend mentioned was a suggestion that the stock of the companies should be held in trust for the elementary flying training clubs. The committee recommended a change in the dominion Companies Act whereby it would be provided that no private individual would receive anything by way of profits in the shape of dividends or distribution of assets. The proposal was that all the companies should have a uniform charter. I am advised that that matter has been fully gone into and that investigation of the matter discloses that a form of charter can be granted to the flying clubs under part 2 of the Companies Act without requiring amendment of the act except that the disposal of any residue of funds after winding up is not specially provided for. That is not considered a serious matter, because it is considered that no flying club would wind up except for lack of funds to carry on, and the matter is now under active consideration by the Department of the Secretary of State, the Canadian flying clubs' association and the deputy minister for air. I am told that the matter of uniform charters is practically completed, and that will be carried out.

Those are the four points mentioned by my hon. friend. I want to mention one other thing that came out in the debate to-night. The hon. member for Bow River (Mr. Johnston) dealt at some length with a device called the Pogue carburettor. I recognize the name because I had some correspondence about it some time ago. The hon. member rather insistently intimated that the government had paid no attention to the Pogue carburettor and that it was a revolutionary device which would save a tremendous amount of gasoline.

Last fall the master-general of the ordnance, having had the device brought to his attention —of course in that branch they have a great many load-carrying as well as fighting vehicles, and we are just as anxious as anyone to save gasoline—brought in Mr. Pogue. He was put on an allowance of $10 a day for six weeks. We provided in the department Doctor King, a mechanical engineer of the national research council who is a special expert on carburettors. They went out to the proving grounds, and for six weeks worked there with Captain Irvine, a highly trained technical man on dynamometers, by putting the carburettor itself to practical test on motor vehicles. That test was conducted for six weeks. I am sorry to say that from the point of view of practical application of the carburettor and the saving of gasoline, the test did not prove it a success. Mr. Pogue, I think, would be as ready to admit that as anyone. As a matter of fact, I think he saw what the defects were. I do not profess to be able to discuss the thing scientifically, but I can say that he gets increased mileage with his carburettor at a sacrifice of power or of speed. That is to say, if you do not have to have much power or go at slow speed, you can get a larger mileage, but if you have to increase the speed of the vehicle or require power for a full load, the mileage per gallon goes down or, to put it the other way, the gasoline consumption goes up. Therefore, with load-carrying vehicles, it proved quite impracticable because they have to have the full pull all the time, and it was impossible to get his carburettor attachment to work under those circumstances. Mr. Pogue has never been able to give the branch a carburettor which works without being constantly adjusted. I mean that literally; you have to get out from time to time on the road and adjust the carburettor, which, of course, makes it absolutely impracticable.

Mr. Pogue went home. He was told by Major James with whom he was in contact, that we were ready at any time to consider any improvements he could make. He has been working on his carburettor ever since. In fact I think he is in town at the present

time. I know Major James arranged for him to get into B class in regard to gasoline rationing so that he could have an opportunity of developing his carburettor.

I have an idea that my hon. friend must have known something about that, and I cannot understand his attitude when he suggests that the government has paid no attention to this matter. Mr. Pogue has had the fullest opportunity of demonstrating his device. That opportunity is open to him now. All the help that the department can give is there for him and he knows it. He has been the first to express appreciation for the way in which the department has treated him. He said that the help he received was far more than he expected.

Mr. JOHNSTON (Bow River): I do not know whether the minister was referring to me when he said I knew it, or whether he meant Mr. Pogue.

Mr. RALSTON: I said I assumed my hon. friend knew it.

Mr. JOHNSTON (Bow River): I have had correspondence with Mr. Pogue. My information is they are still working on it, but not with the government.

Mr. RALSTON: I have stated that the government worked with him for six weeks; he comes to see Major James from time to time now, to report on the progress he is making in trying to find something which will do the work that has to be done, and Major James has cooperated with him to the extent that long after he ceased to work with the department, Major James arranged for him to get special gasoline privileges in order that he might continue his experiments.

Mr. JOHNSTON (Bow River): It is still being conducted, is it?

Hon. C. D. HOWE (Minister of Munitions and Supply): In the course of this debate much has been said about the duty of the war expenditures committee to investigate the Department of Munitions and Supply. I think anyone who followed this debate would assume that up to this time someone had prevented this committee from investigating the Department of Munitions and Supply. Let me say that that department was the first department of government investigated by the committee. My officers were before the committee for, I think, some two weeks, were excused, and fully expected to be called back. We were visited by a man who said he was chairman of a subcommittee of the main committee to investigate the Department of Munitions and Supply. We gave him the information for which he asked. I had a special officer delegated to see that the committee was served in any way that was required. It was the duty of this man to meet any members of the committee and to see that officers having special knowledge of the problems were placed at the disposal of the committee when required.

We have heard in the course of this debate many loose statements about the Department of Munitions and Supply, many from members of the committee. I suggest that the members of the committee are criticizing themselves when they make loose statements about the Department of Munitions and Supply. Here was a committee charged by parliament to investigate war expenditures, and now members of the committee rise in their places in this house and criticize the transactions of the department without ever having given the department a chance to lay the facts before them. I think it ill becomes any member of the committee, which has had all the facilities of the department placed at its disposal, to criticize the transactions of the department.

We have heard suggestions that there are men in plants who are not working as hard as they could work, and that there are plants which do not have all they could do. Surely it is the duty of the members of the committee to look into any case of that kind, obtain information on it and bring down a judicial finding, not just to make loose statements in this house. I believe two hon. gentlemen opposite visited my city and made a statement that they knew of thirty men who were out of work. I suppose thirty out of about 750,000 is a serious matter and worthy of comment. I am not objecting to statements of that kind, but I do say that when the information is readily available to members of the committee, such statements should not be made. It is very damaging to the war effort to have distrust built up about the Department of Munitions and Supply. I think the public in general have confidence that my department is carrying on its work honestly and with some efficiency. That being so, it is extremely important, when we are asking every man, woman and child in this country to buy war bonds, that that confidence should be preserved. If there is anything wrong with my department, there is no one more anxious to know about it than I am. We have special men constantly on the watch for irregularities or wrongdoing. We brought two or three men before the courts; they were brought before the courts, not by any outside investigators but by our own internal investigators. We shall be delighted if someone from the outside will give us a hand in finding any irregularities that may exist. I can assure hon. members

that if there has been any irregularity, the guilty party will be punished to the full extent that the courts provide punishment.

I do not know that I should go into the specific charges that have been made in rather a loose way, whether or not it is worth dealing with them. I do say, however, that during this debate I have heard nothing which I am not prepared to discuss fully with the committee at any time. The files in my department are open to the committee. By international agreement we have undertaken not to publish lists of contracts, or to make public certain information. Those rules are much stricter to-day than they were a few months ago; but as far as the committee is concerned, and as long as it meets in camera, we are prepared to lay any document in the department before it or to have any of our officers appear before it to discuss any situation the members might wish to discuss.

I felt that I should say this. I believe every member of this house knows that what I have said is the situation, but just to keep the record straight I thought a statement of this kind on my part was warranted.

Mr. J. A. MARSHALL (Camrose): Mr. Speaker, I was honoured by my group by being appointed to the committee set up last session to investigate war expenditures. I regret that circumstances over which I had no control did not permit me to attend all the sessions that were held, but I wish to say that my relations with the other members of the committee were of the most cordial nature. I looked upon the work of the committee not in any partisan or political light but rather as a service I might give my country, because of my inability to serve in any other capacity. I gave up my work on the committee quite willingly, and for the balance of the time this group was represented by the hon. member for Macleod (Mr. Hansell) who, I believe, carried on in a very creditable manner. I feel sure that the hon. member who will represent us this year, the hon. member for Bow River (Mr. Johnston), will bring to the work of the war expenditures committee the same high purpose and high motives which inspired those who performed this work last year.

I listened with strict attention to the remarks of the Minister of National War Services (Mr. Thorson), and as a private member I desire to say that I agree with the minister in almost every particular. I fully realized from the beginning that we were not engaged simply in a fishing expedition. Rather our object was, as the minister stated, to view the situation in the broadest possible way and bring to the government and to the officials of the department helpful recommendations. I did not delude myself into thinking that this was a one-year job or a two-year job. It is a job that will tax the ingenuity of the members of the committee during the entire period of this war.

As a member of the war expenditures committee I understood that there was a definite and clear distinction between its work and that of the public accounts committee. I understood, further, that if anything came to our attention which seemed irregular, we could pass the information along to the public accounts committee for investigation. We spent a number of the early sessions in becoming thoroughly conversant with the routine operations of the Department of Munitions and Supply. This, to me at least, was fundamentally essential to the work which was to follow. If I were to offer any criticism in regard to the work done during the time I was a member of the committee, I should say that our meetings were too infrequent. We should have met more often in order to clear away the preliminary work with dispatch, and get down to matters of greater consequence.

I desire now to say a word or two about sittings in camera. As I understood it, there was more or less unanimity among the members of the committee with respect to this question. It was understood and agreed that we should sit in open session most of the time, but that if any matters came up of such a nature as to warrant a session in camera, the general committee or the subcommittee would weigh the facts and, if they were found to be sufficiently significant, would readily agree to such a sitting. But after many years of working on committees of various kinds I have come to the conclusion that sittings in camera are a joke. They are made such by the members themselves, who do not appear to know the meaning of the term "in camera" or the words "on your honour." I will admit that a very large amount of information which was given to us in the various sittings which were held in camera was of such a commonplace nature that it could have been given quite properly in an open session. One of the most informative articles I have ever read was published in *Maclean's* Magazine, and the information which formed the basis of that article was given in camera in a session of the committee of this house. I discovered that information of a more or less confidential nature was being constantly given out with perfect freedom and with utter abandon; and for that reason I believe the sittings in camera are a joke.

There seems to be some confusion in the minds of some hon. members about the war expenditures and the public accounts committees. It has been stated that the war expenditures committee has superseded the public accounts committee. If that is actually the situation, then I deplore it. I believe a very important part can be played by both the war expenditures committee and the public accounts committee.

As a member of the public accounts committee I frankly confess I have been disappointed because it has not been functioning. It should function, not for the purpose of washing dirty linen or of endeavouring to make political capital out of some situation, but rather to run down some of these insinuations, accusations, rumours and allegations which crop up from time to time. Let me cite an example. On one occasion I heard a member of the house make the statement that a building which normally would cost a million dollars would eventually cost two million. The information was given in such a way as to lead one to believe that something was radically wrong. I recall that the Minister of Munitions and Supply said he would see that a matter of this sort would be thoroughly investigated, and that an individual making an allegation such as that would be compelled to substantiate his statement. I have waited a long, long time, but nothing has come of that.

Mr. HOWE: As a member of the committee may I ask the hon. member why, if he considered that situation serious, he did not investigate it at first hand, and call for documents. I cannot be expected to run down every rumour.

Mr. MARSHALL: We were told definitely by the chairman of the war expenditures committee that matters of that sort did not fall within the purview of the committee, but rather were a question for the public accounts committee. It should not be necessary for any individual to rise in his place and make direct accusations in order to bring the public accounts committee together. The simple fact that a statement has been made should be the basis upon which we would be called together to run down an allegation, and see what it was all about.

I believe most of the recommendations made by the war expenditures committee would have been put into effect eventually, even if they had never been recommended by that committee. They were too obvious to be overlooked by a first-class business executive. I claim that nothing has been done thus far by the war expenditures committee which could not have been done in less time, at less expense and with less fuss by one good civilian cost accountant, one good office management expert and an experienced businessman. A committee of three men of this calibre would have accomplished more in one month than the war expenditures committee accomplished in the whole year.

However, the ground work has been laid, and the committee can build from that ground work. If irregularities can be found, I suggest that they be referred to the public accounts committee. I believe we who constitute the membership of that committee will endeavour to find out the real saboteurs of Canada's war effort, and recommend to the house what treatment should be meted out to them.

Canada is fighting for her national existence, and has given the "full speed ahead" signal to her Prime Minister. I assure the Prime Minister that I for one stand ready to do my part to see that we win this war, and to see, too, that proper punishment is meted out to those human vultures who would feed on the lives of patriotic Canadians.

Mr. CLARENCE GILLIS (Cape Breton South): I am going to be brief and explicit in what I have to say. I am prompted to rise at this time by the remarks of the Minister of National War Services (Mr. Thorson), who was chairman last year of the war expenditures committee. According to what he said, the committee did not have a very clear conception of its duties. In defending the activities of the committee this afternoon he made the statement that the probing into war contracts let by the Minister of Munitions and Supply (Mr. Howe) was not the function of the committee, that it was not a fact-finding committee.

Mr. THORSON: I did not say it was not the function of the committee; I said it was not the primary function.

Mr. GILLIS: That is only quarrelling with words.

Mr. THORSON: There is a big difference.

Mr. GILLIS: The Minister of Munitions and Supply now tells us that the vouchers and records of his department were open to the committee at any time they wanted to make an examination. I consider the work of the war expenditures committee to be one of the most important functions of this parliament. I believe one of the best ways of maintaining the morale of the Canadian people at the present time is to guarantee that the money appropriated by means of war taxation is being spent to the greatest advantage in Canada's war effort. In going through certain sections of the country from time to time I find

serious misgivings on the part of the people as to whether this is being done. In my opinion the committee should have been functioning since the outbreak of the war. It has a task of great magnitude before it; it will have to go back into the business which has been transacted since the outbreak of the war. A statement by the Minister of Trade and Commerce (Mr. MacKinnon) which appeared in the *Monetary Times* of January 10, 1942, gives a clear picture of what the committee is up against at the present time. Referring to the war effort generally and war expenditures, he said:

> Its efforts in this direction are being stimulated by the war contracts awarded by the Department of Munitions and Supply, which at the end of September had reached the enormous total of approximately $2,600,000,000. In order that our industries may be able to carry out their contracts, some $550,000,000 has been provided in the form of capital assistance for the construction of new plants, the extension of old plants, and the installation of new machinery and equipment. Again, since shipping is required to win the battle of the Atlantic and to carry our products to overseas markets, a programme of some $500,000,000 of new shipping has been authorized and some of these ships have already been launched. Indeed, our shipbuilding industry employs eight and nine times as many workers as it employed at the outbreak of war.

The wages of most of these workers have been frozen. From time to time the general public get the picture from the press that the workers in Canada consider that they are not getting what they should get in the way of wages and working conditions. They believe that production is not what it should be as exemplified in the steel industry, the mining industry and the shipbuilding industry. Union men have set up, of their own volition, production committees to see if industry cannot be speeded up. They are not quarelling about the question of wages.

The war expenditures committee is the only guarantee that the Canadian public have that the money is being spent to the greatest advantage. As I see it, the committee has avoided inquiry into the expenditures made by the different departments. According to the report which the committee made last year, I consider that its work was wasted. It inquired into the headquarters set-up of national defence, air, navy and army. There was no necessity for that. The different ministers come before the house with appropriations for their respective departments and we can make our inquiries from them. There is no necessity of a committee sitting in camera to inquire into the normal or natural expenditures of these departments. What is needed is an inquiry into the enormous expenditures made by way of contracts let, not only by the Department of Munitions and Supply but by the Department of National Defence. There is a great necessity to dispel the rumours that are being circulated. As an example, I would mention the airport at Sydney, Nova Scotia, a national defence project. People whom I consider as responsible have asked me questions about this. One of the tenders for the original contract for the construction of the buildings at this airport was $250,000, but it was refused. Yet the buildings were finally completed at a cost of $1,500,000. Why was this tender not accepted? This is the rumour, and I do not know whether it is true or not.

Mr. HOWE: May I suggest to the hon. member that he should not help to spread rumours of that kind. As a member of the committee he could get the facts.

Mr. GILLIS: I am not a member of the committee.

Mr. HOWE: Surely the hon. gentleman has friends. They only need to meet tomorrow and ask for vouchers on that, and the documents will be right there and every question will be answered.

Mr. DOUGLAS (Weyburn): The committee has not met since August.

Mr. HOWE: I suppose it will meet when this debate ends. As far as I can see, my hon. friend is preventing it from meeting.

Mr. DOUGLAS (Weyburn): We have not prevented it from meeting during the last three months.

Mr. GILLIS: If the war expenditures committee were functioning as it should be, I could answer these rumours by saying that that was not possible, that there was a stopblock in the war expenditures committee which was checking these things. But the committee has not been fulfilling this function.

Mr. HOWE: I suggest that the hon. member's criticism should be of the committee and not of the way in which contracts are let.

Mr. DOUGLAS (Weyburn): It should be of the government for not setting up the committee sooner.

Mr. MACKENZIE (Vancouver Centre): It was not our fault.

Mr. COLDWELL: It was not our fault because we nominated our men early in the session.

Mr. GILLIS: That is not the only rumour I have heard. The hon. members for Halifax might have heard this one. The exhibition buildings in Halifax were taken over by the navy and were occupied for a short time.

When they moved in, the building was completely equipped with new plumbing. Then the army took over, and all the heating and radiation equipment and the plumbing was taken out and a new set-up put in. That should be investigated.

Mr. RALSTON: I am here waiting to go on with the details of the appropriations for my department. That is a question my hon. friend could ask me to-morrow or to-night if we finish this debate. He does not need a committee to do that.

Mr. GILLIS: The war expenditures committee should have been functioning since the outbreak of the war and then these rumours would not be circulating. We would have the machinery provided to stop such matters, or to investigate them. As I said before, it will not be possible to check current matters for some time because the committee is going to go back over the war expenditures of the last two or three years. This afternoon the Minister of National War Services, the chairman of the committee, pointed out that there was some misconception about the duties of the committee. It certainly did not perform the functions I thought it was set up to perform.

Another matter that should be checked is the ability of those who receive contracts to carry them out. Most of the criticism I have heard along this line is with respect to contracts let by the Department of National Defence. When a firm of undertakers is given the contract to construct buildings, put in runways and so forth on an air field, it certainly does not look good. The opinion among many people whom I have met is that it is simply pouring money down the sink. As the minister said a moment ago, the workers are being asked to buy war savings certificates, and they are doing it. They are doing their best to win the war. But the general opinion is that it is a partisan war, so far as the government is concerned, in the letting of contracts, and the committee can perform a useful and constructive service to the country if it will get down to business and make an examination of the many criticisms that are being levelled at the government on that score. I do not know whether it is true or not; I should like to know; it is the duty of the committee to find out.

Many members of the committee have stated in the house that the committee could not do this or could not do that. I think it is the duty of any member of the committee, if he is not satisfied with how the majority of the committee are handling its business and filing its reports, to come before this house with a minority report and let us know just what the trouble is.

[Mr. Gillis.]

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I think the best service it is possible for me to render to the committee and to the country in this matter is to make as brief a speech as possible and let the committee get on with its work immediately. There is little to be added from the government benches to what has already been said by my colleague, the Minister of National War Services (Mr. Thorson). In his address this afternoon the minister reviewed very comprehensively the work of the committee, and what had been accomplished by way of organization and investigation. I think he left the impression on the house, which indeed has been left generally by those who have spoken, that there is now a distinct agreement on the part of members of the committee that its objective is eminently desirable, that there is opportunity for very valuable public service in its work, and that while not as much has been achieved as members would naturally wish, there has been a measure of real accomplishment by the committee in its work thus far.

The leader of the opposition (Mr. Hanson) asked—and I think a similar request was made by the leader of the Cooperative Commonwealth Federation party (Mr. Coldwell)—that I should state distinctly the view of the government with respect to the scope of the committee and give the house an assurance that there would be no restriction on its work by seeking to narrow down the extent of the committee's authority as set forth in the resolution. I wish to give that assurance emphatically and unequivocally. The desire of the government in establishing this committee is to have it investigate as fully and as completely as it possibly can matters which its members or others may bring to the committee as proper subjects for investigation. No group of members of the house could feel more deeply concerned about the expenditure of vast sums of money than the government itself does, and we look upon this committee not as a body that is investigating the government but as a body that is assisting the government in its control of public expenditures. I should like that view to be fully appreciated by all hon. members on the committee. Indeed, nothing has been more satisfactory, I think, to those of us who have this responsibility to carry than to observe that the members of the committee themselves have felt that the opportunities they have on the committee lie so largely in that direction. It is encouraging to know that they have felt that they do not regard themselves as a committee searching for

scandal but rather as a body of members of this house who are seeking to render a public service in the matter of seeing that all possible economies are effected in connection with war expenditures and that matters which should be still further investigated may be brought to the attention of the government or of some committee of this house for that purpose.

In that regard I should like to draw the attention of the house to the significance of one statement in particular which was made this afternoon by the Minister of National War Services. Let me preface my remarks on that by saying that many have criticized the fact that the proceedings of the committee are in camera. But as my hon. friend the minister said, the purpose of sitting in camera is not that of seeking to conceal information. It is really a method of procuring information which could not be possible if the committee's proceedings were in public. That point, I think, has not been sufficiently dwelt upon. The very fact that the committee is sitting in camera and can bring before it any of the officials of any department connected with the war effort and can examine fully and in detail all matters that come before it, enables the members of the committee to obtain much more information than would otherwise be possible.

May I supplement that by drawing attention to what has been said so often in the British house, which is that while the public is not being informed daily of the proceedings of the committee, hon. members of that committee gain information and knowledge to a degree that would not be possible in any other way. If, in acquiring knowledge with respect to government contracts and matters of one kind or another, they feel there is need for fuller inquiry, there is nothing to prevent them from bringing up on the floor of the house questions which they think ought to be investigated further and asking for information from the ministry or seeking to obtain further inquiries before the committee of public accounts, if they wish so to do.

Viewed in that light I think it will be seen that there is an opportunity much greater than appears on the surface in the work of the committee. The members of the committee at Westminster have come across matters which they thought would not bear the light of day. They did not wish to expose them to the public gaze in a sensational way by having the proceedings carried on in public; they have felt that by having these matters appear in the press it would—I will not say be of assistance to the enemy, but be a comfort to the enemy, who delights in anything which will tend to create discord and suspicion in a country to which he is opposed. The opportunity, however, has thereby been afforded members of the committee to go to the minister of the department concerned and bring to his attention matters which they thought ought to be discussed.

Let me say on behalf of my colleagues and myself that if the members of this committee in the course of their investigations have reason to believe that there is some transaction that is not creditable or if there are good grounds of suspicion that there is some dealing that is not honourable, I invite them to bring these matters immediately to the attention of the minister who is at the head of the department; and if the minister does not find means to have the matter satisfactorily dealt with, then I would suggest that a direct request be made of the government to have the matter investigated by the committee on public accounts.

The reason why the war expenditures committee is not being regarded as a committee on public accounts is that we already have a committee on public accounts, a standing committee of this house, to deal with matters that should be dealt with in relation to public accounts. As I have indicated, the function of the war expenditure committee is not that of a committee on public accounts. Its duty is to investigate with a view to protecting the government's war effort in as many ways as may be possible, particularly in relation to unwise expenditures and unwise methods in regard to these expenditures.

The question of publicity has been fully explained by my colleague, and the question of the extent of the powers of the committee I think I have dealt with in a way to confirm the views already expressed by the minister in that regard.

Something has been said about the length of time which has been taken in setting up the committee, the insufficient time which the committee has had for looking into expenditures, and the lateness of the session at which the committee is now being constituted. I would be the last to deny that there has been ground for fair comment and criticism in that direction, but I would ask hon. members, when they speak about the committee not having been established at the very first session, to recall the matters to which the government had to give immediate attention. It seems to me that we would have been inviting unnecessary suspicion with regard to our own departments and administrators if, before we had begun to incur expenditures to any considerable extent, we had undertaken to form the

committee, with other committees we already had in existence, at a much earlier time than we did.

Moreover, as hon. members themselves have found out, in the work of the committee the matters to be inquired into are so vast and extensive, the numbers of contracts so great, the whole business so large, that unless the methods of the committee were properly organized at the outset, unless the committee got a bird's-eye view, so to speak, of the whole field to be surveyed and a due appreciation of its own functions in the clearest possible way before entering on examination in detail, the time of the committee would have been very largely wasted and very little in the way of effective action would have followed.

I think hon. members who are on the committee will agree that, under the direction of the chairman, who was then a private member of the house, an excellent foundation was laid for the further work of the committee, and that much of the time that was taken up in organization will begin from now on to bear fruit in abundance.

The hon. member for Weyburn (Mr. Douglas) and others have spoken of the desirability of enlisting as largely as possible the services of the various members in connection with work on committees. I can assure him and other hon. members that the government is only too anxious to have the members' time employed as actively and efficiently as possible. There are now—it may surprise hon. members to hear me say it—no less than twenty-two committees; there will be, when the defence of Canada regulations committee is appointed, twenty-three committees at work this session. There are seven select committees, and the fifteen standing committees. That is a considerable number; indeed, some complaint has been made to-day that so many committees are meeting it is difficult to have members attend to the extent that they should.

Possibly there is room for improvement in the arrangement of the meetings of the different committees, and, speaking for myself, I should be wholly favourable to having the committee on war expenditures enlarged if that is going to help to further the work for which the committee was intended. I shall be glad to take up that matter with my colleagues; I think they will view it sympathetically; and if the committee itself, after a meeting, feels that its work could be better performed by having its membership enlarged to some extent, I for one shall be prepared to do what I can to have that recommendation favourably received by the house.

I might say the same in respect to other recommendations that may come from the committee to the house. I believe, now that the work is generally recognized to be of the importance that it is, this house will be ready to approve almost any recommendation which comes to it from the committee itself.

I do not know that there is more I should add at the moment; indeed, I do not want to have this debate go over to to-morrow. I would, however, not like to conclude without expressing appreciation to members of the house, and particularly to the members of the committee, of the general acceptance of the resolution which is now before the house, and which I believe will pass unanimously to-night.

Mr. ADAMSON: Will the Prime Minister state whether it will be possible at this session for private members to attend the sessions of the committee, not to take part in them, but to attend? It was allowed at some sessions which were held last year.

Mr. MACKENZIE KING: I believe that is a privilege of private members at all times. I feel certain, if the committee themselves wish to have that liberty granted, it will be granted in a moment. I can see no reason why private members should not be permitted to attend at any time.

Motion agreed to.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Friday, May 1, 1942

The house met at three o'clock.

REPORTS OF COMMITTEES

First report of special committee on vocational training.—Mr. Donnelly.

First report of standing committee on standing orders.—Mr. Golding.

RECONSTRUCTION AND REESTABLISHMENT—CONCURRENCE IN SECOND REPORT

Mr. J. G. TURGEON (Cariboo) moved that the second report of the special committee on reconstruction and reestablishment, presented to the house on April 30, be concurred in.

Motion agreed to.

SOLDIER LAND SETTLEMENT—CONCURRENCE IN FIRST REPORT

Hon. CYRUS MACMILLAN (Queens) moved that the first report of the special committee on land settlement of veterans of the present war, presented to the house on April 30, be concurred in.

Motion agreed to.

JAPANESE NATIONALS

BRITISH COLUMBIA—HUNGER STRIKES—PROCEDURE IN RELOCATION

On the orders of the day:

Mr. G. A. CRUICKSHANK (Fraser Valley): I should like to ask the Minister of Labour two questions with respect to a matter which I believe is of urgent national importance, owing to the prominence it has received in the Vancouver *Daily Province* of April 27. What steps are being taken to maintain the prestige of the authorities in connection with the hunger strikes by the Japanese in British Columbia? Are wealthy Japanese allowed to settle wherever they see fit, and in whatever manner they desire, for the duration?

Hon. HUMPHREY MITCHELL (Minister of Labour): My reply to the first question is that any Japanese guilty of breach of discipline are being promptly dealt with by the British Columbia security commission, and those who do not comply with instructions are immediately interned. With regard to the second question, no Japanese, regardless of their financial standing, are being allowed to relocate in any part of British Columbia or anywhere else without first receiving the permission of the security commission.

WAR APPROPRIATION BILL

PROVISION FOR GRANTING TO HIS MAJESTY AID FOR NATIONAL DEFENCE AND SECURITY

The house resumed from Tuesday, April 28, consideration in committee of a resolution to provide sums not exceeding $2,000,000,000 for the year ending March 31, 1943, for granting to his majesty aid for national defence and security—Mr. Ilsley—Mr. Bradette in the chair.

Mr. ADAMSON: As a member of the house I believe I have the right to speak on matters of vital importance, despite the fact that I happen to be a member of the armed forces. Naturally there are certain limitations with respect to what I can or should say, and I shall follow the procedure in the British House of Commons. Having due regard to those limitations I shall endeavour to bring before the house certain matters which I consider it is my duty to discuss. There are a number of things I may say here, and a number I may say in another place. I shall endeavour to keep the subjects I may discuss here separate from those of another nature which may be discussed elsewhere.

Discussing Canada's war effort a British general, not now in Canada, said to me the other day, "One of the greatest difficulties you have in Canada, one of the besetting sins of the Canadian war effort, is the office-bound staff."

Mr. RALSTON: The office-bound staff?

Mr. ADAMSON: Yes, and by that he meant that the officers on the various staffs do not visit the training establishments as they should do. I believe I have had a rather unique experience in that not only have I had the opportunity and the ability on frequent occasions to visit national defence headquarters, but I have been in the districts and with the field formations. What we are up against in the army to-day is the task of correlating our points of view. There is a certain point of view in national defence headquarters, a second point of view in the districts, and still another point of view in the field formations. All the difficulties which have arisen have been largely due to the fact that the points of view of the districts, the field formations and national defence headquarters have been divergent. We have tried to work as a unit by carrying on too much correspondence, and that is the first point I wish to discuss to-day.

In over two years of war I have had only one visit in my own branch from a superior officer attached to national defence headquarters. I suggest that visits between the districts and headquarters should be very frequent, and I also suggest that the district staff officers should have more opportunity to visit the field formations. To show the enormous size of the work may I point out that during the last year I travelled between 25,000 and 30,000 miles for the department. Even so, there were in one district two establishments I was not able to visit in that one year. That is the first problem we are up against.

I would suggest that the training officers should be rotated between the basic and advanced training centres and by headquarters. The officers responsible for the training of the Canadian army would then have the point of view not only of headquarters but of the districts and the training centres themselves. We have tried to do this by correspondence, but the main difficulty is the fact that correspondence ties officers to their desks at headquarters. One visit of a training officer, even a junior officer, to the training centres would do more good than all the correspondence one could write. I believe they should be rotated.

I wonder whether the house realizes the complexity of the Canadian army to-day. First you have the headquarters establish-

ment, then the districts, then the command headquarters, then the basic training centres, advanced training centres, technical training schools, veterans' guards companies, specialized units, and active army units in the fourth division. Each of these units has a definite and unique part to play. Unless the members of these units are rotated with their own headquarters, we shall not achieve the true efficiency that we should have in our army.

I should like to mention one or two matters as examples. I would refer first to the syllabus for physical training. The training centre officers tell me that with the PT syllabus now in effect they find it difficult to keep the interest of the men. They have no authority to alter this basic training syllabus. Our training is in a constant state of evolution, and they tell me that if this syllabus were modified even slightly it would help the morale of the troops and make them more keen about their training. Hon. members will realize that it would be manifestly impossible to allow the officers at the training centres to alter the training syllabus as they wished. But I do suggest that there should be an opportunity for the officers in the directorate of military training at Ottawa to go to these basic training centres and find out how these syllabuses could be altered. Our training changes after practically every new action or campaign fought in the war.

Another matter has to do with the basic training centres. The first thing you try to do with a new recruit is to make him enthusiastic about the army. The first few days in the army constitute a most vital part of the young man's military life. The first thing you do is to give the young man an old Ross rifle, dated 1905, probably with the bolt missing or the sight gone. He is told that this is to be his personal weapon of protection. This rifle may be all right for drill purposes, but it is good for nothing else and the psychological reaction is bad. I believe the department should consider providing a complete set of the most modern weapons for each basic training centre so that the young soldier, instead of seeing these dreadful old guns, can be shown the modern Lee-Enfield rifle, the two-inch or three-inch mortars and the rest of the excellent weapons we have. I understand that in the United States army the first thing they do with their recruit is to take him out on the range, give him a rifle, and tell him that there is the target, try to hit it. He is thus given confidence in his weapon. I mention these old Ross rifles as a sample of what we are up against.

Then there is the selection of men for the specialized branches. This selection is made at the basic training centres which I consider a most important part of our army. The raw recruit comes into the basic training centre, in most cases wanting to do a job. After he has spent the prescribed time there, he is selected to go into the infantry, the artillery, the ordnance, the signals, the medical corps or some other branch of the army. This is just one more reason why we should do everything in our power to provide adequate equipment. With such equipment we would be able to find out more about the capabilities of our troops.

The next step is from the basic to the advanced training centre. In the advanced training centre considerably more equipment is available. Naturally you cannot teach a man to run before he walks, and a much better job of equipping is done at the advanced training centres. It is here that the soldier really begins to appreciate his responsibilities. It is here that he realizes the job ahead of him. He begins to realize what a lot he has to learn. Here again I earnestly suggest that training officers be rotated so that the advanced training officer in the advanced training centre will know the difficulties which the district headquarters are up against and what national defence headquarters is up against. If the officers were rotated in this way, a tremendous amount of correspondence that is now carried on would be eliminated.

From the point of view again of the advanced training officer, he is trying to do a job; he is up against a difficulty; he is out with the troops. He explains that difficulty in writing as well as he can, and it has to go through the district headquarters and from there to national defence headquarters. If the officer at national defence headquarters would come to the training centre and spend a day in the field; if he would perhaps live for a month at the advanced training centre, the advanced training officer could explain to him in ten minutes what he is up against, rather than have to put it in writing and send it through the usual channels. In this war of movement time is absolutely vital, and time is just as vital in training as it is in actual combat. I do suggest that this method would speed up your training and make it more efficient.

Stonewall Jackson said this about war:

> War means fighting. The business of the soldier is to fight. Armies are not called out to dig trenches, to throw up breastworks, to live in camps, but to find the enemy and strike him; to invade his country and do him all possible damage in the shortest possible time. This will involve great destruction of life and property while it lasts; but such a war will be of necessity of brief continuance, and so would be an economy of life and property, in

the end. To move swiftly, strike vigorously, and secure all the fruits of victory is the secret of successful war.

If anything has shown that he was right when he said that, it has been the successful campaigns of the German army in the present war. Each of them has been violent, rapid, and tremendously destructive, but I think it can also be said of them that they were all economical of life compared with a long campaign of attrition, compared with battles like Passchendaele in the last war, compared with trench warfare. If we are to defeat the powers arrayed against us, the type of warfare described by Stonewall Jackson is the type of warfare we shall have to fight. I believe that is generally realized, but it must be driven home every day to every officer and every soldier in the Canadian army that tremendous speed is essential.

Officers returning from the recent campaign in Libya—we have seen quite a number of them and have talked with them—have said that one of their difficulties was the breakdown of communications, the lack of coordination, shall I say, between the air force and the army. In this war every man, particularly every officer, and more particularly every staff officer, has to think in a three-dimensional plane. If you are in the army you must think also of the air force. If you are in the air force you must think also of the army. You must know the limitations of the weapons of the sister forces, their capabilities and their characteristics. I suggest to the government that that is one of the things we in Canada are not teaching. I suggest that there should be a joint staff of officers who are trained in the air and on the ground. I make that suggestion most sincerely. Suppose an air officer is put in a tank. At once he gets an entirely new conception of its limitations of vision, the hazards of ground, and other features of tank warfare. Or put a tank officer from one of the armoured divisions in the air, and at once he gets an entirely new conception of camouflaging his tank, of its vulnerability, its ability to move with speed and a thousand and one other things. It is an extremely technical matter and one that requires constant study. One requisite in the army to-day is constant education. No one should be in the army who is not prepared to work at his job and to learn all the time. Every new campaign has new lessons to teach. Let me give an example of the sort of thing that happens at the present time.

The other day in England an officer wanted photographs taken of a certain area. He telephoned to the local air force command saying he wanted those photographs taken. The air force commander asked, "What is your ceiling there?" The army officer could not tell him what his ceiling was. He did not know as elementary a thing as that about the sister force. Every army officer who is in charge of the movement of troops should be able to cooperate with the air force and know and understand the limitations of aircraft. Here, simply because of a lack of knowledge of the air arm, a request was made which it was impossible to carry out.

There are one or two small points I might also mention. There have been a number of accidents to mechanical transport. We have standing accident boards. They have them in England. The air force asked me, "What are you people doing about night blindness?" I do not know what is being done about night blindness, but we have had quite a number of accidents which have been caused by people whose vision at night was faulty, who were suffering from some degree of night blindness. Here is another example of how the air force and the army can cooperate. I do not know what is being done about night blindness, but the subject is very important. To a man driving extremely valuable equipment, and going into action in the dark, vision is one of the most essential things. We have found that many accidents in England have been caused by night blindness.

A word about discipline. It is no secret that one of the principal troubles is absence without leave. It is not as general as many people think, but it does exist, and is probably responsible for 80 per cent of detention crime in this country. Absence without leave is punishable by stopping a man's pay, perhaps for fourteen, perhaps for twenty-eight days, but the loss of pay goes on much longer than that because his allowance is paid to his wife and family, while he draws no pay on pay day. His psychological reaction is a loss of interest in the army; his attitude is, "what's the use?" This matter has been brought to my notice, as a member of this house, by constituents of mine who are in the army. They say, "We lose heart when we find that we are not to get any pay for a month, or even two months. There is no incentive to do well; why should we not go absent without leave again?" One tries to argue with such a man, but his is really a psychopathic case; a great deal of work has to be done on it, and if the condition goes on for a considerable time, his wife, family and dependents suffer also. I have a suggestion to make in that connection in a minute.

Another point I want to mention is that a great many soldiers have to wait a considerable time for district courts-martial. The judge

advocate-general's department is required to prepare cases for courts-martial, and nearly all of them are for absence without leave. They are always very busy.

My suggestion is that the training centre commandants be given more power to deal summarily with these cases. There should be some system of immediate punishment, such as punishment drill, so that the man who is on leave and is tempted to outstay it will reflect, "I shall have to walk up that so-and-so hill a dozen times if I don't get back to the camp in time", and will make every effort to avoid the penalty. Let the punishment be immediate. Do not keep men hanging around in detention, not carrying on training, waiting for district courts-martial. Remember that we are terribly short of time for training.

There are a few other matters, concerning dependents' allowances, which I think should be brought before the committee. First let me mention the matter of soldiers' children. The soldier, going overseas, leaves his wife and family here in Canada. The wife gets a job in a munitions factory, and there is, I think, every reason why she should. It is important that everybody should be usefully employed, and many of these women are doing an excellent job. But they leave for work at an early hour in the morning and they do not get back before six o'clock at night. In the interval the children are entirely without parental supervision. Consequently we find in Toronto —and I believe the situation is general—a large increase of delinquency among children. I suggest that the minister's department should consult with other departments to see whether something cannot be done such as they are doing in England. In the schools of England a meal is provided at mid-day for the child whose parents are working. Also they have established certain types of nursery schools to take care of the children of soldiers and others whose work prevents them from remaining at home. Nothing can be more upsetting to the soldier overseas than to read in the newspaper or have somebody report to him that his eight-year-old boy has been haled before the children's court for stealing chocolate bars or throwing stones through a window. This is a matter for interdepartmental cooperation, and it should be attended to right away, for it affects the morale of the army. The soldier concludes that we who are still in Canada are not looking after his dependents, and there is nothing more likely to destroy his confidence in the cause for which he is fighting.

I have had mothers come to me and say, "I get no allowance although my boy is in the army, because he was on relief before he joined up and was not contributing to my support." For that reason, it appears, the department take the attitude that they should not be held responsible for the support of the mother. That attitude, it seems to me, is definitely wrong and false. It penalizes the soldier. If the man does not go into the army he can get work at $6 or $7 a day and thus support his mother, but if he enlists she is penalized because he was previously unemployed. Some attention should be paid to that, and very quickly.

Mr. McNIVEN: Have you brought such cases to the attention of the dependents' allowance board?

Mr. ADAMSON: I have brought one case to their attention and I did get action on it.

Mr. McNIVEN: I have had no difficulty with them.

Mr. ADAMSON: In two cases I got action, but several other cases have been reported to me in which nothing was done.

Mr. MUTCH: The provision is there.

Mr. McNIVEN: It is the law, and there should be action.

Mr. ADAMSON: There has not been action.

Mr. GOLDING: That is a long time ago.

Mr. ADAMSON: It was six months ago.

Mr. McNIVEN: It must have been at least as long as that.

Mr. ADAMSON: No; it was not more than six months ago.

Mr. CRUICKSHANK: The hon. member started late.

Mr. ADAMSON: No. I started long before that.

Another matter that I have in mind has reference to pensions in respect of men killed or injured in Canada. Very often men have been on leave, on pass away from military duty, and have been injured or killed, but the department has taken the attitude that it was no responsibility of theirs. That attitude should be reviewed. I consider it is the responsibility of the government just as much in Canada as in England.

I leave these suggestions with the government. The most important thing of all is to see to it, from the point of view of headquarters, from the point of view of field formation, that there is correlation. Do not do it by letter. Let us have an interchange of views so that we can get down to brass tacks with the men actually in the camps and training centres so that we shall know

what we are trying to do, and so that they will know our difficulties and we shall know theirs. Five minutes spent in such discussion is worth all the correspondence in the world.

I am not going to bring up the question of reserves, nor am I going to bring up the question of home defence personnel in the active army, except to say this. I believe that the Canadian army should be the Canadian army and that, now that the plebiscite is over, there should be no distinction as to where a man serves. The sooner we can do away with home defence personnel in active units, the better it will be because we shall then be able to strike the greatest blow for improved morale in the Canadian army.

Mr. RALSTON: My hon. friend has mentioned quite a number of points that may be interesting to other members of the committee and perhaps I might be permitted to deal with them, though not at length, to indicate to hon. members what has been done and what is being done along the lines to which the hon. gentleman has referred. I do not think he does the British officer whom he quotes quite justice. I am not quite satisfied that the British officer, if he is of the type of British officer I know, made any such statement as that the besetting sin of the Canadian war effort was the office-bound staff. I know British officers well enough to know that they do not criticize in that tone or spirit, and I suggest to my hon. friend that he make the criticism his own and not bolster it up with a statement by a British officer whose name he does not give and whom, I am satisfied, he misquotes in using that expression.

My hon. friend has referred to the matter of personal contact between headquarters and districts. He has referred to something that is so elementary that I do not think it needs much emphasis from any of us. We all understand that if it were possible by personal visit to indicate all the things that have to be communicated in connection with the army or in connection with business, it would be highly desirable to do so, supplementing it with matters on record, so that people will not misunderstand what has been said. That is impossible in connection with the army and has been from the beginning. We have been just as busy as we could be in raising, equipping, organizing, feeding, clothing and transporting the army, but there has been no possibility of building up this staff as we should have liked to build it up. I know there is some criticism in this house in certain quarters, indicating that we have too much staff. I say to you, Mr. Chairman, that this view is not shared by very many who know the organization of the armed forces, either navy, army or air.

Mr. HANSON (York-Sunbury): You do not say anything about the source of the criticism.

Mr. RALSTON: What I am endeavouring to do, and I say this frankly, is to increase the staff in order to meet the very natural demand which comes from all quarters, not simply from districts but from headquarters as well, for particulars, to study problems on the ground, to meet with officers on the firing line, if I may put it that way, and to endeavour to assist in their problems. My hon. friend is aware, I know, that I do not profess to suggest for a moment that the liaison has been perfect, but I do suggest that there has been considerable; and the fact that he as an intelligence officer has not been officially called to headquarters, or that he has had only one visit from an intelligence officer at headquarters, does not by any means represent the liaison between headquarters and officers in the district.

Let me say this in connection with the district officers commanding. As my hon. friend knows, there was, as soon as the chief of the general staff and I came back from England a year ago, an immediate conference of D.O.C.'s from all over the dominion. We cannot have them in very often, but we brought them in then to discuss the whole matter with regard to the war prospects, and they were brought in again only quite recently. But that does not represent liaison, because, particularly in some parts of the country which have been concerned with regard to their defence, there have been visits from senior officers from headquarters. I instance the chief of the general staff who in December, went to the Pacific coast, and the vice-chief of the general staff, who went at the time I went to the Pacific coast, or three months thereafter. The chief of the general staff has been on both coasts, and so far as the staff officers are concerned, I have made it a rule in connection with every convoy to see that some senior staff officer is there.

Perhaps I might give to the committee a list of the conferences which have been held at headquarters. That means officers coming from districts. The D.O.C. conference was held some time ago, and there was another in March this year. The A.A.Q.M.G.'s held a conference, and district recruiting officers held two conferences in the last six months—about six months. In January we had a conference of commandants of all basic training centres straight across Canada, and this is a matter

to which my hon. friend devoted a considerable portion of his remarks, namely, work in the basic training centres. We brought the commandants of the basic training centres in in the month of January, and we had a conference of commandants and officers of training centres and advanced training centres as well. That was the middle of last year, the latter half of the year. We had a general staff officers conference in September and district ordnance officers conferences in October, 1941, and February, 1942. At the present time the chief of the general staff, with Brigadier Weeks, who is officer in charge of training, and a deputy chief of the general staff, and Brigadier Macklin, from the adjutant-general's branch, are on a ten-days' tour. They are not attempting to cover all Canada by any means but are making a meticulous visit to all training centres in Ontario. They will be out for something like ten days. As a matter of fact we have arranged the organization of the general staff so that we shall have an officer on the road practically all the time in connection with training. We have so arranged it that there are two officers under Brigadier Weeks, that is, Colonel Whitelaw, who is in charge of the regular military training, and under him is Colonel Sparling, who was overseas and who now has come back. In the other branch of training we have Colonel Kennedy, who is director of trades training and who also came back from overseas for the purpose of taking up that work. Then we have a liaison officer who himself can go out, or who can take the position of officers in the department in order to permit them to go out.

In connection with this matter of training my hon. friend lays down again what I think are some pretty elementary principles. He says that at the basic training centres—I believe this was the expression he used—there should be a full or complete set of the most modern weapons, and he deprecated very much the idea of issuing what he called the old Ross rifle. I wish to assure my hon. friend that there are not very many new Ross rifles in the Dominion of Canada or anywhere else. There are not very many new mark I Lees, or new mark II Lees, or new mark III Lees. These are old rifles, but that does not interfere with their efficiency. I suggest to the committee that while we would like to supply all basic training centres with complete sets of the most modern weapons, we in this country have some obligation to the people who are on the firing lines at the present moment, who are using weapons of that kind and who are calling for more. Speaking for myself, I do not propose to take the position that we will insist on having the most modern weapons in the basic training centres in Canada when they are needed more urgently elsewhere, where the fighting is active.

Mr. ADAMSON: I did not suggest that the whole establishment should be issued with the modern weapons, but a complete set of these weapons should be there, to be seen.

Mr. RALSTON: My hon. friend said that a complete set of the most modern weapons should be at each basic training centre. The hon. member went on to say that we were issuing a lot of old Ross rifles, and he deprecated that very much. A soldier cannot be issued anything but an old Ross rifle. He may see one of the modern weapons; that is a different story.

Mr. ADAMSON: He could be issued a Ross rifle that would fire. These things were made in 1905, without any sights or bolts.

Mr. RALSTON: Perhaps I do my hon. friend an injustice, but I was sure the impression he left with the committee was that it was all wrong to issue a recruit an old Ross rifle.

Mr. HANSON (York-Sunbury): To be perfectly honest, are they not obsolete now?

Mr. RALSTON: No, not for training. I would say that one could teach recruits the grip, the firing positions, trigger pressing, aids to rapid fire, and so on. I think the only thing one could not teach them on a Ross rifle, and it could be taught by means of diagrams, would be the sight, because the Ross rifle sight is different from the Lee sight.

Mr. ADAMSON: These rifles are without sights and without bolts.

Mr. RALSTON: I say to my hon. friend that he does not know what he is talking about when he states that large numbers of men at basic training centres are issued Ross rifles without sights and wthout bolts. He had better go to the basic training centres and see.

Mr. HANSON (York-Sunbury): There are rifles issued at the basic training centres which, when the butts are grounded, have the bolts fall out. That has happened.

Mr. RALSTON: I understand that.

Mr. HANSON (York-Sunbury): Then why deny it?

Mr. RALSTON: I am not denying it at all. I am saying that rifles issued at the basic training centres are, generally speaking, not Ross rifles with the bolts out. I want to tell my hon. friend that these rifles are issued for the purpose of teaching musketry, and the recruits are given sufficient rifles with which

to fire. I say to the committee quite frankly that I propose to follow this course until we have enough rifles for active work. I find that there has been practically no complaint from the basic training centres in that connection.

Let us understand this rifle situation. I have indicated before, and I have never concealed from the house, that the rifle situation is not as we would like to have it. At the same time we are doing everything we can to use the rifles we have to the best advantage, in the places where they are most needed, having regard to their condition. If my hon. friend and the committee knew as much as I do with regard to requirements for rifles in connection with this war, there would not be any complaint as to the fact that Ross rifles, some of them even without bolts, happen to be used in the basic training centres. We cannot issue complete sets of the most modern weapons to the basic training centres. Further, the training carried on there is not being carried on by those of us who have not been overseas in this war. It is being carried on by men who have come back from England and who know what training is going on there for the sort of warfare that we anticipate in this war.

I just want to give the committee a list in this connection. I have mentioned it before, but now I have the list under my hand. We have fourteen British officers here for three months as instructors. We have eleven officers from Canada on exchange with the British army at the present time. Some 93 officers have just returned to assume duties as second in command and as commanders of companies. Some 145 officers and 368 other ranks are now abroad or in transit for courses, and they will be brought back here later. Some 263 officers and 900 other ranks have just returned for instructional duties at advanced and basic training centres. That is the thousand men I mentioned the other night.

Mr. ADAMSON: They have just arrived?

Mr. RALSTON: Certainly. My hon. friend laughs about it. What is wrong with that?

Mr. ADAMSON: I said it was an excellent thing.

Mr. RALSTON: Thank you very much. Then seventy-two officers and other ranks have just returned from overseas after attachment for three months to the Canadian army overseas, and seventy-six are now going the other way for three months. These are the sort of men who are carrying on the training in these basic training centres. I do not profess to know very much about training. I can only give the syllabus as I have it, but I want to say to the committee that the syllabus is under constant review by the training officers, who I think know their jobs fairly well. The changes are issued from month to month, as the opportunity arises. I would think—and I want to make sure about this, because my hon. friend struck a point in which I am very much interested—that the suggestion of a practical officer training men would receive the utmost attention and would be acted upon, unless there was something wrong with it. What my hon. friend said was that an officer at a training centre was not allowed to change the syllabus. Obviously you cannot have a syllabus prepared by people who we think understand what is required in that connection, and having due regard to the practice in the United Kingdom, and then have it changed at will by someone who thinks he knows a better way. But you can immediately take up any suggestion which is made by any officer. I agree with my hon. friend in this respect—and I have tried to preach it in connection with the Canadian army—that I believe not only is there always a difficulty in bringing together the people in the district and the people at headquarters, but there is a difficulty to some extent in bringing together the ranks themselves, that is to say the man who is very much senior and the man who is junior. The man who is junior is working away at his job, and he gets the idea that was expressed by my hon. friend, that any suggestion he makes will, of course, not be listened to by the people up top. As a result he does not make the suggestion. I have said I felt that our army, in order to get along and make the most of its opportunities, should have people pressing from the bottom up and from the top down in order to get together in connection with these matters.

Mr. HANSON (York-Sunbury): Is that known among the junior officers?

Mr. RALSTON: I have tried to make it known, and I know the chief of the general staff has tried to make it known.

Mr. ADAMSON: That is just what I want to bring about, the interchange of junior officers. Do not send a general round to the basic training centres and try to get ideas from your junior officers. They will not give them to him.

Mr. RALSTON: Junior officers do not generally talk to the inspecting officer. The junior officer talks, I think, to the man with whom he works in the training centre. But the general, whoever he may be, is the man who has authority on the ground to make the change. I think that is the advantage of

the minister going around once in a while. I say that because there are certain things which can be done off the bat. Otherwise, if you sent a junior officer he would have to write or to wire to his headquarters and be supported with documents. The result would be that the matter would get into the mails and it would be some time before action could be taken.

If at all possible, there is advantage in sending a senior officer who has power immediately to make a change or to give instructions that changes be made. There is no difficulty if the principle I suggest is adopted on the part of the senior as well as the junior officer, namely, that the senior officer sees to it that the junior officer's ideas are given a fair trial and a fair chance, and that they are receptive to suggestions which come in, notwithstanding the fact that they do not come from people on his staff.

The vice-chief of the general staff and I were out west for some time. I hope the committee will pardon my mentioning myself so much, but I make these observations simply to illustrate how time and again we ran across suggestions which had been made by a junior officer. We might find some equipment which was not there, and which the district did not know about. We would be told, "I have indented for it"—that is the favourite expression, as my hon. friend will know. That is the favourite word used in the district, the training centre or anywhere else.

Mr. HANSON (York-Sunbury): It means a requisition?

Mr. RALSTON: Yes, a requisition. It would mean that he has signed a request. Then he might get the idea that that is all that ought to be done. He may be discouraged and think that there is no use doing anything else, and that that is the army way of doing things. In the army you can get after a thing, indent, call up somebody on the telephone and say, "Did you get it; is it on your desk?" He probably finds it on his desk, with twenty or thirty other files. There may be need to deal with that quickly, but if it is not called particularly to a person's attention it may go to the bottom of a file, and not be dealt with for the next day or so. Then it may go next day to the master-general of the ordnance and be sorted out there, with the result that it may take four or five days, or a week to deal with the matter. But in connection with a particular item a junior officer can follow it through. He can be encouraged to follow it through, either by telephone or otherwise; and if he were we would get certain things done that are necessary.

[Mr. Ralston.]

I beg the committee not to think that you can break down army or business routine and make it work. You will have chaos if you do. But you can have a sense of proportion in connection with the army, as well as with anything else. You can try to pick out things that are important.

Of course I am talking of departmental procedure. The danger is that a red tag may be placed on the file, marking it urgent. But everything of a routine nature will be tagged, with the result everything becomes urgent, and you are back to where you started. So I say there is room for initiative, and the actions of junior officers should be encouraged so that they would press, and do a little more than just indent. They should realize that their representations should not only receive consideration, but be acted upon.

Mr. HANSON (York-Sunbury): I do not know a great deal about the army, but I talk to officers who do know. Recently I had a conversation with an army officer with respect to this very matter of equipment. He made an observation to me which I shall pass on to the minister, because I believe it is sound. He said, "Is it not true that a man in training should, while training, have the weapons he proposes to use when he goes to war?" That is the idea, as briefly as I can express it. The minister has said it is not possible—and I quite agree. But should that not be the objective? It will be understood I am not raising this question with a view to reverting to the scolding the minister gave my colleague. I thought the minister was, perhaps, a little unfair, but I am content to let that pass. I suggest that the principle is sound, if it can be achieved. I believe it is a question of the ways and means, and the ability to achieve the objective.

The minister made it quite clear—and I agree with him—that if Lee-Enfield rifles are required elsewhere more than on our training fields, then they should be elsewhere. He will find no criticism I am sure from this side of the house on that score. But we are now in the war two and a half years, and I had thought that the rifle situation had improved. I should be glad if we were told just what the position is in that connection.

Mr. RALSTON: The leader of the opposition has enunciated what I believe is an absolutely sound principle. I am not speaking as an expert, but it is obvious that if you can give a man the exact weapon he will use in the field, then that must be absolutely desirable. I agree that that should be the objective. I believe we have attained that at training centres with respect to every weapon except the rifle—and the hon. member for York

West will have some information on that point. With respect to rifles we are using, shall I say, a different model from the rifle which may be used. As a matter of fact there are four marks of Lee-Enfields, two marks of Ross, besides the Springfields to which reference has been made. I could give the committee privately what the situation is in that regard; I believe I intimated it during the secret session. I can say only this, that the rifle situation is improving. It is improving very steadily, so far as production is concerned. The point is that demands, as well as production, are increasing; and that is the difficulty. The further point is that Canada's rifles are pretty well supposed to go round the world.

I referred to the officers who had been brought over from the other side, to indicate that there was liaison in that respect. I did not mention something which the hon. member for York West may know better than I, namely that conferences are held from time to time by the district officers commanding with the officers in command of units of the reserve army, and with the officers in command of the training centres in their districts; as well as of the active units in their districts.

I know that some general staff officers in charge of training pay visits more often than others. But what we are doing at headquarters, and have been doing—and we are endeavouring to do the same in the districts—is to go over the staff so that these visits can be made. So I leave that particular subject with the same thought with which I began the discussion of it by saying that I am thoroughly in accord with the idea as it has been expressed concerning the desirability of personal visits in every possible instance.

The hon. member mentioned joint operation. I do not believe the committee realizes just how closely the three arms of the service work. I have tried to make that clear before. We do work at headquarters through inter-service committees. We have joint service committees on magazines, hospitals, pay and allowances, chemical warfare and conservation. We have a joint chiefs-of-staff committee which meets each week. We have a defence council which meets every week and which consists of the three ministers, three deputy ministers and the three chiefs of staff. There is the junior war staff at Kingston teaching combined operations. So really we are not neglectful of the principle which has been suggested, namely that as far as possible we should be familiar with the aims and work of the other armed services.

I am not in a position to give the committee further information with regard to the advance and progress which has been made along that line. But I can repeat what I said the other night, that definite progress is being made in connection with having the air force and the army combine and work together; and there are certain plans and programmes under way in Canada along the same line.

My hon. friend referred to night blindness. A great deal of research work is being done along that line. We have ordered machines for testing night blindness, and the testing will start just as soon as the machines are available. As a matter of fact there are more on order for the army. The hon. member mentioned absence without leave and suggested that the officer commanding be given more power.

Mr. ADAMSON: Yes, power to deal summarily with these cases.

Mr. RALSTON: I think I am right when I say that the officer commanding can give up to twenty-eight days' detention, and I should think that that is about power enough for the commanding officer. I believe the soldier has the right to elect to take court-martial if he so desires. I do not think we could give very much more. I would prefer not to give more power to the commanding officer than he has already, that is, the power to give twenty-eight days' detention, which in fact may mean twenty-eight days' imprisonment. As a matter of fact, that is the provision in the army act. It does not follow that it is right simply because it is in the act or has been in force for many years, but one would think the test of time would have indicated that that is the extent of the power which should be given.

My hon. friend referred incidentally to the matter of creches for children of soldiers' wives. That is not strictly an army matter, but it has to do with the man-power problem. The problem to be considered by this country has to do with the drafting of women into industry in order to relieve men and make them available for the armed forces. I intended saying, when I was speaking just for a minute or two on that subject, that that was one of the many measures which has to be worked out and adopted if this plan of using women in industry is going to be effective. There are going to be married women who are soldiers' wives and married women who are not but who have children, and these children will have to be looked after if the services of the women are to be used in industry. It is not only a matter of training the women, it is not only a matter

of moving them to industry, it is not only getting the employer to agree to have them; there is the additional problem of looking after their families while they are working.

Mr. ADAMSON: That was the important part of the question I was asking.

Mr. RALSTON: I just want to say a word or two about headquarters organization, in reply to the point raised by my hon. friend and along the line of what I have said already. My hon. friend suggested that the people at headquarters should go out more. There are two directorates of military training, one headed by Colonel Kennedy and the other by Colonel Whitelaw. In addition—I think I said this before—there is a liaison officer whose duty it is to travel to the training centres or to replace other section heads by staying at headquarters when they are travelling. I would say that the same principle is being developed in connection not only with the general staff but also with the adjutant-general's branch, the quartermaster-general's branch and the branch of the master-general of the ordnance. At this minute we have the quartermaster-general on the east coast, the master-general on the west coast heading east and the chief of the general staff with his deputy in charge of military training and one of the deputy adjutants-general travelling in central Canada. I am sure my hon. friend will not complain about the number of visitors from headquarters who are out on the road endeavouring to deal with the very problem to which he has referred.

I was dealing with the point raised by my hon. friend about junior officers not being able to amend the syllabus when I am afraid I got off on a pet hobby of mine. I am greatly interested in the necessity of paying attention to the recommendations of junior officers and seeing to it that we get the benefit of their views and experience. I only want to say that we are encouraging these suggestions. We are trying to get them through the officers in command of the basic training and advanced training centres. We are seeing to it that they do not fall by the wayside by providing these additional visitations from headquarters, either the district or national defence headquarters, in order to see that the suggestions are put into practice. As I say, we issue every month an amendment to the training syllabus embodying suggestions that we get from overseas and practices which we find from experience can be well adopted for our purposes. This is done in an endeavour to keep that training syllabus right up to date.

[Mr. Ralston.]

Mr. CASTLEDEN: Is there any record of a shortage or incompleteness in medical stores in the training centres? I am referring particularly to Petawawa in 1941.

Mr. RALSTON: Does my hon. friend mean improper shortages, or that they had not been ordered?

Mr. CASTLEDEN: Lack of supplies.

Mr. RALSTON: No, I have not; that has not been brought to my attention.

Mr. CASTLEDEN: Could the minister find out whether there is any shortage?

Mr. RALSTON: Whether there was any during last year?

Mr. CASTLEDEN: Yes.

Mr. RALSTON: I was there three months ago. If my hon. friend has been there he knows that the field hospital is a well-conducted establishment. I talked to the officer in command and I did not hear of any shortage of medical stores. I shall certainly find out.

Mr. CASTLEDEN: The case I have in mind is that of a young man who about July 8 last year jumped from a truck during night manœuvres of anti-tank battery F and ruptured himself. He reported sick next day and was sent to hospital and was supposed to be furnished with a truss. He was reboarded and he reports to me that he did not receive his truss until January of this year. He went back to Saskatchewan on furlough and he received a wire to report to No. 12 military district depot in Regina. He paid his own fare into Regina, which he has not been able to get back, and received his truss. I am hoping that this is not the general practice, and I should like to have an assurance from the minister that it was due to some oversight.

Mr. RALSTON: I will go further than that. I will give my hon. friend the assurance that that is not the way the medical service is conducted as I know it. That particular case will be gone into. If my hon. friend cares to send me the name, he may do so, but if he does not I think the circumstances he has given are enough for me to ascertain just what happened.

Mr. CASTLEDEN: A letter will be in the mail this evening.

Mr. HANSON (York-Sunbury): The medical services are said to be very good.

Mr. MUTCH: Because the comments I have made from time to time to the minister in connection with the administration of the

army have not always been complimentary, I should like to express my appreciation to the minister for his remarks to the house the other day and again to-day in defence of those who are administering the Canadian active army, particularly against the attacks of those whose military knowledge is, generally speaking, acquired from observing the army from a sidewalk. There have been times when I have expressed views in this house and in certain other places which were not complimentary to the individuals charged with the administration of the army, but generally speaking I believe that a bad dentist is better than a barber for a toothache, and an imperfect staff officer is probably more valuable to the administration of the army than many of those who criticize it. But having said that, may I add that I do not think there is any reason for the minister to be over-satisfied with the administration, nor do I think that he is absolutely satisfied.

Leaving the administration out of it for a moment or two, I should like to make some observations with respect to something new in the administration of the present army and offer some suggestions in connection therewith. I refer to the new basic training centre which has just been established and which has been designed to take care of those men who have been unable under the present set-up to assimilate the basic training during the period of two months which is assigned to them. I think everyone who has had anything to do with the administration and training of the present army will realize the need for such a training centre until those who are in the army have been helped to the point where they are able to take training in the basic or advanced training centres or are eliminated from the army. But, by the same token I would not like to see any development of that practice because I think it would be tackling the problem, which I suggest is a serious one, from the wrong end. It is true that we have a considerable number of men in the active army in Canada who either should not be there at all or require special consideration in order to enable them to keep up with those who are training. It is my hope, and certainly it is the policy of the department, that the personnel selection boards will be able to take care of that situation. I think perhaps in most districts at the present time they are doing a fair job in weeding out men who have been enlisted as physically perfect but who by reason of one handicap or another have been unable to keep up with the training in the basic training centres. In some cases they have got to the advanced training centres. But that is tackling the problem after the men are in the army. I would like to have the assurance of the minister that something will be done to eliminate the necessity of such an institution as has been opened recently. The method of doing this does not matter a great deal so long as it is done, but I suggest that a personnel selection board officer might be attached to the various recruiting centres throughout the dominion to report on the recruits before attestation. I believe in that way you could eliminate within a comparatively short time the necessity of dealing with these men afterwards—these problem children, if you like to call them that, who are being provided for in the new basic training depot.

Arguments have been advanced against giving these men their examinations before they are attested. I know some of the difficulties in that connection because I am handling recruits every day that I am not here and have been doing so for nearly two years. At the same time, whatever the immediate cost and whatever the scarcity of suitable personnel selection board officers may be—and that is a real problem—I do not think this trouble should be allowed to grow.

About a year and a half ago some of us in this house were concerned over the fact that too many men, after having been duly enlisted and attested, were being discharged from the army before six months' training on the ground that they were not likely to make efficient soldiers. I expressed my opinion on that at that time; the regulations were tightened up, and the problem disappeared for some time. I suggest that it is in danger of recurring as a result of the weeding-out process which is now being carried on. Probably it is a good thing to insist on selection and intelligence tests for these men, certainly so long as we are able to get as many men as we can take care of in our present organization; nevertheless I believe the policy has been carried to an extreme. There have been cases and there are cases where adequately trained officers and men have been weeded out of their units at the age of thirty-three or thirty-four or thirty-five on the ground that they are too old. It seems to me that our Canadian army is thinking in terms of two and a half years of training, rather than in terms of what is the usual active life of a soldier, which is one hour or two. The worth of a soldier is determined by his courage and efficiency in action. There are all kinds of men who have been rejected for service who would live their hour, which is the life of a soldier, with gallantry and distinction but who have no place in the army at all, chiefly by reason of the fact that we have had

very few casualties. We have been engaged in a two and a half years' endurance contest and great numbers of these men have not been able to make the grade. But that is not all it takes to make a soldier. I wonder if there are not here old soldiers of the last war who can remember the time when a forty or forty-five year old sergeant has had to carry on his back, figuratively speaking, some twenty or twenty-five year old subaltern until he found his feet. I wonder if there is anybody who was in the last war who does not remember the man we used to call the perfect soldier. Every company had one, almost every platoon, and in rank they ran all the way from corporal to colonel. They sat on a horse like a centaur, looked the part on parade, had a voice that could be heard for four blocks—in other words they had everything it took, except the courage to kill and die if necessary in the clutch, as the army calls it.

We have been concentrating on a perfect army. But even if we had a two-corps army composed entirely of men of the calibre of the commander I do not suppose it would, in the last analysis vitally affect the issue of this war. We are told that we have the best trained and most highly mechanized of all armies, but the experience of the last two and a half years has taught us that we must contemplate as a possibility our whole army, quite naturally and without any disgrace to themselves, entirely disappearing in the course of a forenoon. It seems to me that the department and the minister might give a little more attention to the expansion of the reserves of that army, and not so much attention to developing an overseas army of men who are super-soldiers. That is all right when you are preparing for a war five or six years from now, as we are told Hitler did, and we saw the effectiveness of that system at the beginning of the war.

There is one other thing I would draw to the attention of the minister. I understand at the present time it is not the policy of the department to allow any non-commissioned officer to proceed overseas with his rank. If I am correctly informed with respect to that—

Mr. RALSTON: As a reinforcement.

Mr. MUTCH: Quite so; then I would suggest to the minister that that is something which should be reconsidered. To begin with the difference between being a private and a sergeant in hundreds of instances is the difference, if you are a family man, between being able to enter the service and make anything like adequate provision for your family, and not being able to enter it at all. While on the face of it the present arrangement seems eminently fair, and one can understand that the commanding officers in England naturally want to promote men who have been overseas for some considerable time; while one can understand the reasonableness of that attitude and their desire to promote men with whom they are familiar, I question whether it is in the interest of efficiency of the service. Certainly the result is that we have throughout our whole training set-up in the Dominion of Canada too many A category men who cannot be forced to revert, who cannot afford to revert, and who are stuck in this country by virtue of that regulation, when they would prefer to be on the other side of the ocean. If there is any disposition to doubt that, I will give you a list of a hundred odd of them. I know whereof I speak.

With respect to the question of discharges from the service, there has been some improvement since I spoke to the committee before. With respect to discharging men from the present army discretion has rested in the district officers commanding to take men who are in C category and who have jobs to go to, and discharge them from the service and return them to civilian life. To the best of my knowledge that authority has not been abused. On the other hand, under this present system of reviewing these men by the personnel selection boards, we have a certain number coming back from basic and even from advanced training centres of a category which makes it unlikely that they will become efficient soldiers. They are sent back for duty in a depot, for example, where duties do not exist in any considerable numbers, and we are having a considerable number of these men being boarded out on medical grounds. In effect it means that they are classed mentally deficient; that is to say they are incapable of assimilating military training in the prescribed time.

We have not in this country anything in our army in the nature of a labour battalion. I know the arguments against the labour battalion, and I am not particularly hopeful of a sympathetic hearing for what I wish to say with respect to that. I do say, nevertheless, that there is a place in every district for, perhaps, a labour company. There are duties to be performed, particularly in winterized camps, permanent camps, which could be performed by men of this category, who would be more usefully employed in this war effort than they would be by being returned to civilian life. That is debatable, no doubt, but in my experience and in my opinion it is unquestionably true. I am not looking for labour battalions in the sense of a refuge for crocks, as has happened at times in the past.

But useful men can and should be employed. When I have made that suggestion on occasion I have been told, "Oh, there is a farm labour shortage; let those men who are unable to take training go back and work on the farms." Well, this country has paid the price of the thought, conceived mostly by city people, that anyone can farm. If men are not able to assimilate basic training at the present time, it is very doubtful whether they would be of any use in the war-speeded industry in the Dominion of Canada, and I am quite sure that they would be largely useless under the pressure of modern agriculture. So if anything can be made of their training and their physical condition—and I think it can—we should have organized in every district labour companies for the purpose of performing these duties.

It has been said frequently, and the minister has suggested again to-day, that it is impossible to have any real elasticity or any individual responsibility in an army, and I suggest to the minister that, while channels for the evolution and development of new ideas exist, they get horribly clogged at times. I am not going to use either the expression "bottleneck", or to try to suggest where it is. But I do know this, that it takes a long time for ideas to reach the place where they can be carried into effect; they are quite often not recognizable when they get there, and if they are good, sometimes they have even changed their paternity. But there is provision for that within the army itself. Not only the junior officers but the men in the ranks are being encouraged, if they have ideas, to report them and bring them forward. Some hon. members know the routine. It goes from the private to the sergeant, from the sergeant to the sergeant-major, from the sergeant-major to the company commander, from the company commander to the adjutant, from the adjutant to the colonel; and I do not pretend to follow it after it reaches district headquarters—it is supposed to go to national defence headquarters; but if everybody does his duty and anyone who is responsible sees it within three months, it is a miracle. Somewhere in the senior ranks of national defence headquarters there should be somebody to whom any private can write a letter and give his ideas. It does not matter how goofy it is, it won't be any crazier than some you get at times from the higher ranks, and if you get only one that is of real value, that officer's time will have been well spent.

Regarding our training, in connection with the general set-up, we are told in one breath that every soldier, under conditions of modern warfare, is his own general. I have been told that by training officers who have had experience on the other side in this war. I have listened to it with approval, and I hope that in fact it is being carried out. But we are told almost in the same breath that if the officer commanding a district in British Columbia wants an extension on his telephone, he will probably have to get treasury board approval for it. Somewhere between those extremes the truth may lie. I have no doubt the minister is working on it.

Mr. RALSTON: I have done it, about telephones.

Mr. MUTCH: Good. Those are the two extremes. There are all kinds of men in the army at the present time with enough business ability, quite apart from whether they ever saw a uniform or a Ross rifle or any other kind of rifle, to administer all the technical details of a military district anywhere, without visitations from district headquarters or anything more in the way of a link than a telephone call—and the telephone calls need not all go to one desk.

I commend the minister for the fact that there has been some attempt to break down this old system, but if anybody this side of heaven tried to indicate on a chart, even using lines so fine as to be almost undiscernible, the number of connected chains of transportation to get ideas from anywhere to national headquarters, it would be a chart which could be examined only under a powerful microscope.

Mr. RALSTON: Nobody hesitates to write to the minister. I can assure the hon. member of that.

Mr. MUTCH: I suggest to the minister that very few of us who are concerning ourselves in the matter would—

Mr. RALSTON: I am talking about the ideas.

Mr. MUTCH: The men in the ranks, I am sure, hesitate to write to the minister. I have had letters returned to me with instructions to reprimand men who presumed to write to a higher authority which was not nearly as high as that. I am speaking perfectly frankly in this respect. I do not disagree in principle with the practice, because that is what is laid down at the present time. But a bit of a barrage on some of these regulations would short-cut a lot of them. If a man thinks he has an idea, it does not matter how crazy it is, it is important to him; he wants to get it to somebody, and provision should be made for doing so.

I do not think you can administer all the districts in Canada with the same establish-

ment. In a country as wide as this, with our variations of population and our varieties of climate, with the different dispositions and the various geographical distinctions, I do not think it is possible for national defence headquarters to evolve anything with respect to training which will fit more than two or three of the districts. With reference to what the hon. member for York West said before, about the importance of headquarters' staff visiting districts, I was glad to hear the minister say that the provision for that sort of thing is being expanded.

There is one thing I should like to emphasize before I conclude, and that is that more consideration be given to the work of the personnel selection board before a man is attested. Otherwise I can see a long chain of grief in a long chain of basic training centres. I am well aware that it is going to cost a little money. It is going to delay things a little bit, but we are in the fortunate position of having men come in under conditions and in numbers which at the moment we can handle. I would recommend again that the selection be made not in the basic training centres, and certainly not in the administrative centres, but in the recruiting offices throughout the country.

Mr. GERSHAW: The question of forming a labour battalion has been mentioned. There is one suggestion which I would offer the minister, and I shall be glad to hear his reply, to see whether it is within the realms of possibility. In southern Alberta there are a large number of people who have very strong convictions against handling rifles or shedding blood. It would seem that the young men in these particular groups or colonies would want to take part in this great struggle, and would want to hold their heads up with other young men and be regarded as Canadians. In 1923 a colony came in to one particular municipality and since that time they have doubled their holdings, and six new groups have come into the same municipality. They find that by their way of living and through their farming practices they are able to extend rapidly. The provincial government have recognized the danger and have passed a law to prevent these people from acquiring more land for the duration of the war. The population is about 1,866, and 700 of them belong to the Hutterite colony. Ordinary people of that municipality feel quite keenly on this point. They consider that in this great democracy all should be on the same basis and that these particular people should be on the same basis as other Canadians. Everyone realizes that they are protected by an agreement, order in council P.C. 1678 passed on August 12, 1899. At that time no one anticipated that we would be in the condition we are now in, such great changes have taken place. Inasmuch as there are a large number of these people, my suggestion is that the agreement might be reviewed to see whether all parties have lived up to it, and whether some of these young men could be enrolled in a labour battalion to do certain work. If they could, they would become interested in military affairs and become better Canadians.

Mr. RALSTON: I have consistently hesitated about taking on anything more in connection with the Department of National Defence than matters relating strictly to the military effort. The hon. member for Lake Centre (Mr. Diefenbaker) the other day advocated the same idea with regard to a group of citizens out west as we have heard this afternoon from the hon. member for Winnipeg South (Mr. Mutch). The question of labour battalions is in mind. We have employment platoons whom we have been using in camps and in connection with special work in the way of fatigues and things of that sort. If labour battalions are necessary in connection with army activities, that is one thing, and I am willing to consider it. If, however, you are only forming a labour battalion, or using the Department of National Defence to form a labour battalion, for the purpose of doing civilian work on parks or other projects of that sort, then I suggest that it should not be under this department. The hon. member for Lake Centre had the better idea, that is, to allow the Department of National War Services to call them up, if that is necessary, and form a battalion, if you like to call it that; but it should be under some department other than National Defence. We have a good many activities and we are trying to keep our eyes on the target, which is to fight the enemy, and not to deal with matters which are extraneous, even though in connection with them organization might be useful. I will take into consideration the question as it affects army activities, but that is as far as I should like to go in that respect.

With regard to the matters mentioned by the hon. member for Winnipeg South, I spent a very fruitful and profitable three hours with the adjutant-general and Brigadier Chisholm, who is in charge of personnel selection, last Sunday on this very point to which my hon. friend has referred. He is right with regard to the matter of examinations. I think that the number of discharges could have been reduced substantially had the discharge taken place at the other end, in the sense that they

should never have been accepted. The test for mental aptitude has not been sufficient; I am satisfied about that. As hon. members know, the test has been made entirely by medical boards. There is a very general provision in the medical regulations with regard to aptitude, and I am sure that a certain number of doctors have felt themselves not qualified to pass on that phase of a man's ability to serve. They have found him A, so far as physical condition was concerned, and have let it go at that; but very often the man has not been able to keep up training, so that you find him in the group, of whom many are going to North Bay for what the air force would call a cease training course. The air force had the same idea in connection with their work, and it has been, by the way, under a member of this house, the hon. member for Greenwood (Mr. Massey). We are doing the same thing, and I do agree that a change is called for, and it has been made.

As I explained the other night, the directorate of personnel selection has not been functioning for more than six months, and weeding out has taken place as a result of the activities of that branch. To some extent the medical regulations are now being amended and provision is being made with regard to a test, I will not call it a psychological test, but rather an aptitude test, which is being given. Provision is being made for supplying medical boards with additional skilled help if needed to deal with aptitude as well as with physical condition. As the hon. member hinted, the men available for that are not too plentiful across Canada, and we have provided for special instruction for groups of men. They will not be fully trained in that respect, but will understand the fundamentals which are needed to find out whether a man gives good promise of becoming an efficient soldier. Hon. members know that there is a small discharge from the air force, and the disparity in that regard has struck me as one calling for an exhaustive investigation. The short way of explaining it is this. The air force requires, so far as educational qualifications are concerned, that men shall have gone to the eighth grade, whereas the army qualification is practically one of literacy. Practically, that is all that is required, if the man is to take the training laid down; and perhaps the severest feature in the matter of literacy is the map reading under the basic training syllabus. He is then taken on, and the men who are not up to that standard are finding it difficult to get along. That is why the change is being made and a new organization is being set up.

Mr. ADAMSON: The air force have the M test before they are attested.

Mr. RALSTON: I did not use the words "M test". I said they would be given a test for aptitude.

Mr. ADAMSON: They have a test?

Mr. RALSTON: Yes, the M test.

Mr. ROSS (Souris): If some of the suggestions offered by the hon. member for Winnipeg South and others this afternoon were adopted, K.R. and O. might have to be rewritten. Probably some amendments to it would be in order in any case. However, I should like to ask the minister a few questions in connection with the men taken into the army under the National Resources Mobilization Act.

In the first place, how many of these recruits for home defence have completed their training to date? How many have volunteered for active service? How many men are there in the Canadian army whose service is limited to Canada or the territorial waters thereof? Are some units in the Canadian army made up of both these recruits for home defence and others who have offered themselves for active service in any theatre of war; are they combined in one unit? If so, what units in Canada are composed of both these recruits for home service and the active service personnel? Is the minister in favour of having these recruits for home defence and the active service personnel mixed together in the same units for training? Has any plan been worked out to separate these home defence personnel and active service personnel in case any of these units should be sent out of Canada on short notice? Then is the dependents' allowance paid to dependents of recruits called up under the National Resources Mobilization Act?

Mr. RALSTON: I wish my hon. friend had sent me a note of these questions. He is asking what really should be an order for return.

Mr. ROSS (Souris): I shall be glad to send the minister this list of questions. If these dependents' allowances are granted, are they paid when these recruits are called up for training, or only when they have completed their basic training?

Mr. RALSTON: What is that?

Mr. ROSS (Souris): If dependents' allowances are granted, do they commence when the recruit is called up for training or do they commence after he has completed his basic training?

Mr. RALSTON: The moment he starts to get his pay, I should think.

Mr. ROSS (Souris): This afternoon the hon. member for York West raised a question which has given me some considerable difficulty. It is the case of a young chap who enlists, and who applies for a dependents' allowance for his mother. Quite frequently the board will point out that at the time the young chap enlisted, his family were on direct relief; that he was not making any cash contribution to the upkeep of the household, and in such cases the allowance is not granted. It seems to me that these matters should be considered on the basis of necessity. If the family required assistance, and the young chap was not able to obtain gainful employment, I believe the allowance should be granted. I know of many applications that have been refused on the ground I have mentioned.

I am sorry I was not in the house last Tuesday, but I read in *Hansard* the discussion which took place between the hon. member for Lethbridge and the minister as to responsibility for the hospitalization of soldiers' dependents. To me the answer given by the minister is not very clear. As reported at page 1946 of *Hansard* he said:

> The way I dealt with it was to indicate that the dependents' board of trustees, which was established in November or December, has as one of its functions and one of its authorities to pay such supplementary grants or to give such special assistance in those cases where it is satisfied that such supplementary grants or special assistance are necessary to prevent hardships arising because of unusual circumstances. . . .

Could the minister say definitely whether that does become the responsibility of his department or whether there may be considerable bickering with the municipal authorities, whose responsibility normally it would be to look after those cases? Is that clearly understood?

Mr. RALSTON: Does my hon. friend wish me to answer that now? I understand that he is speaking about the hospitalization of dependents. What I said was that there was some suggestion from hon. members that this was the responsibility of the municipality. That is fundamentally so. I said that under the provisions of the dependents' board of trustees—I have not the exact terms before me at the moment—there is a regulation which permits the board to pay grants or give assistance in emergent cases or cases of hardship, such as the serious illness of members of the family. I do not know what the conflict is with the municipalities to which my hon. friend is referring, but I said it seemed to me that was the best answer I could make in reply to the suggestion that the federal government should undertake the responsibility for the hospitalization of dependents. I have never before known this to be recognized as a federal responsibility, even indirectly, and I do not think there is any intention to assume responsibility for the hospitalization of dependents, except in a case of hardship or great need. It is extending the Pension Act and the provisions of the dependents' allowance board beyond what I should think they were ever intended to cover if one were to say that when a soldier enlists he is entitled to his pay and allowances, his wife is entitled to separation allowance, his dependents are entitled to allowances, and the family are entitled to hospitalization. That is not so. In a case of hardship, under the provisions with respect to the dependents' board of trustees, in order to bridge a gap the board may help in a difficult situation by making a grant for that purpose.

Mr. ROSS (Souris): The point I was trying to make is that to me it is distinctly a case of hardship any time it becomes the responsibility of the municipality.

Mr. RALSTON: That is a matter for the board.

Mr. ROSS (Souris): I think if the municipality had to report the matter to the board it would be distinctly a case of hardship; otherwise it would not have become the responsibility of the municipality.

Then I should like to support what was said by the hon. member for Winnipeg South with regard to work units. Ever since we declared war I have felt keenly that we should have work units or labour battalions as part of the army. In going round to the various camps I have seen a great deal of work being done and very fair rates of wages being paid, considering the training many of these men had to have in order to undertake the work. Certainly the pay was very much in advance of that being received by the men who enlisted, though much of the work could have been done by ordinary men. I do hope the army will see fit to organize work units or labour battalions, as part of the army itself.

Mr. RALSTON: Perhaps I may deal with some of the questions asked by my hon. friend. I think his first question was as to the number of men called up to the basic training centres. The total number called for four months training up to April 9, 1942, was 41,606, with an additional 10,730 who already had received thirty days of training and who were called up for the remainder of

their training. That makes a total of 52,336. My hon. friend asked then how many came out. I am sorry I have not those figures here, but the hon. member will realize that we cannot get the reports concerning those who were called up in January for another month or two, because the first class of those who entered the camps in January will not be coming out until May, and so one cannot tell how many of those called up since January will graduate or come out of the training centres.

Then the hon. member asked as to the proportion of enlistments. I gave a statement to the committee on this question the other day, giving the number of men called out under the national war services regulations who, while under training, have enlisted voluntarily in the armed services. Of the four months classes, beginning March 20, 1941, and ending with the class which went in on October 2 and graduated on January 31 —I have not the enlistments from the training centres since that time, but the other night I indicated to the hon. member for Lake Centre that I thought those enlistments during that time would be in the neighbourhood of between three and four thousand.

The number who actually were accepted in that period between March 20, 1941, and October 2, 1941, was 25,892. That is, they were accepted in training centres. The number enlisting in the Royal Canadian Navy was 322; in the army, 6,185, and in the air force, 2,843, making a total of 9,350; or 36 per cent of all of those who were accepted in the training centres enlisted in one of the three services. I believe that percentage has been pretty well kept up. I cannot tell my hon. friend for certain, but I believe I used the same percentage when I estimated between 3,000 and 4,000 for January, February and March.

My hon. friend asked if there were battalions which have in them home defence personnel and active service personnel. Most of the battalions in the sixth and seventh divisions at the present time, and most of the artillery units as well, have both home defence personnel and general service personnel—and I prefer to use that expression—in the same units. My hon. friend has asked whether I favour that method. My reply is there are things to be said for it and things to be said against it. But from the practical point of view it was impossible to have these home defence personnel as they came out of training centres go to a separate unit. In order to give them training and get them used to operational work both in the artillery and as coast defence battalions it was necessary to have them gradually come into the units. We figured it was on a basis of about 10 per cent a month, so that they would be gradually absorbed in battalions or batteries, as the case may be. At the same time that releases general service personnel which could go overseas and follow the inclinations for which they originally enlisted.

With regard to the home defence personnel I would say that when I was out west there was some complaint about it. I can quite understand that complaint, because I had the same complaint when I was overseas in the last war. Men came to us who had come in under the Military Service Act of the last war. But those men came in and were absorbed in the battalions.

People are saying we should use the man-power of this country. We cannot use the man-power of this country, I submit, if we are not willing to take these men in and train them for operations. When I was talking to officers there I said, "You are commanding officers, and are training battalions for operation; you are citizens of Canada as well. You want to see the man-power of Canada utilized, and the way to utilize those men to the best advantage is to have them come to units and gradually become acclimated so that they may be able to carry on."

That is the situation with regard to this personnel and, as my hon. friend knows, I regard the units as active units. Certain of the personnel cannot be sent out of Canada except, as the Prime Minister explained, under the War Measures Act; and certain of them can. When the time came either the War Measures Act could be used, or other personnel could be put into the units, or these men could volunteer. Those are the three alternatives.

My hon. friend has asked if dependents' allowances were the same for home defence and general service personnel, and the answer is yes. He has asked whether payments start from the time men are called up, or after they have completed training. The answer is that dependents' allowances start at the same time as the pay.

I know the hon. member has asked a number of questions I have not answered; but I am endeavouring to answer the questions immediately, rather than leave them over. If he would remind me of others I would be pleased to give answers.

Mr. ROSS (Souris): What is the total number of home defence forces for the Dominion of Canada at the present time?

Mr. BOUCHER: And would the minister discuss, too, the subject of dependents' allowances for members of the reserve army while in training?

Mr. RALSTON: The number of home defence personnel, for service in Canada, in units of the Canadian army, is 15,269. Those are in addition of course to those in training. My hon. friend asked, I believe, for the number in the units.

Mr. ROSS (Souris): I wished to have a general picture of the total number of troops for defence purposes in Canada.

Mr. RALSTON: The number is 15,269 home defence personnel in units. In addition there are in training—not in the units—16,074. That is out of a total strength in Canada at the present time of over 150,000 active and home defence personnel.

Mr. GREEN: For several days we have been considering that portion of the war appropriation bill which provides funds for the army for the fiscal year beginning on April 1 of this year and ending on March 31 of next year. Hon. members who are interested will find the break-down of the army's portion of the war appropriation at page 1688 of *Hansard*. The total amount for the army is $997,000,000—in other words, practically half of the total amount provided in the war appropriation bill.

Mr. RALSTON: That is for what?

Mr. GREEN: For the army. Breaking that expenditure down again we find that almost exactly half the money for the army is to provide funds for Canadian formations and functions at present overseas, including increments. The amount under that heading is approximately $495,000,000. Then, over a quarter of the balance of the money for the army is for Canadian formations and functions to be sent overseas during the fiscal year 1942-43, the amount being slightly over $135,000,000. The balance of the army's appropriation is to be spent on formations in Canada.

It seems to me the committee would be well advised at this stage to try to get a broad picture of Canadian army activities both abroad and at home. First of all, we have our Canadian army in Great Britain. It is an army of which the Canadian people may well be very proud and one which, I am sure, will live up to and perhaps surpass—although that will be difficult—the traditions of the Canadian corps in the last war. That army in Great Britain can be sent anywhere; there are no strings on where the men can serve.

We have another army in Canada which cannot be sent anywhere. The one exception, I believe, is the fourth division which is preparing to go overseas. As the minister has just said, most of the units of this army contain home defence personnel, soldiers who have been called up under the National Resources Mobilization Act which was passed by this house in June, 1940. As hon. members know, this act provides that men called up cannot be required to serve outside of Canada. The act is chapter 13 of the statutes of 1940, and section 2 gives the governor in council the power of—

> —requiring persons to place themselves, their services and their property at the disposal of His Majesty in the right of Canada, as may be deemed necessary or expedient for securing the public safety, the defence of Canada—

And so on, but there is another section, section 3, which contains a restriction and which reads:

> The powers conferred by the next preceding section may not be exercised for the purpose of requiring persons to serve in the military, naval or air forces outside of Canada and the territorial waters thereof.

The minister has just told us that there are 15,269 men, known as home defence personnel, who were called up under the act and accordingly are subject to the restriction contained in section 3. They are scattered throughout the various units of the army in Canada. As we all know, there are many more of this same class of soldier training in the training centres. Some weeks ago either the Minister of National Defence or the Prime Minister said that the seventh and eighth divisions, which are to be raised this year for the defence of the east and west coasts, would be composed largely of men called up under the National Resources Mobilization Act. This means that these divisions cannot be used beyond the boundaries of Canada or the territorial waters thereof. If this restriction were removed our army in Canada, like our army in Great Britain, could be used anywhere.

In my opinion, and I cannot emphasize this too strongly, that is necessary for the army on the Pacific coast. They will probably have to go abroad sooner or later, either to the adjoining state of Washington on the mainland, or to some of the islands which form part of that state, or to Alaska or Siberia. They may have to cross the ocean to fight. Let us always remember that Canada must avenge Hong Kong, and we cannot do that on this side of the Pacific ocean. Hong Kong must be avenged across the Pacific, and so far as Canada is concerned that can be done only by troops who go from the Canadian Pacific coast.

This Canadian army may have to serve in Australia. It may be that fighting in Australia will be the best way to defend the Pacific

coast of Canada, just as fighting in Great Britain or on the continent of Europe is considered by the government to be the best way to defend our Atlantic coast. The Prime Minister pointed out the wisdom of such a course in his radio address on the plebiscite on April 7, when he used these words:

> One thing is perfectly certain. If the enemy is not kept at bay on the oceans, and defeated beyond the waters of the Atlantic and the Pacific, the final battles of the world conflict will be fought in the waters and upon the soil of Canada and the United States.

I repeat that the Canadian army on the Pacific should be composed of men who can go anywhere. Then they could take their part in the attack on Japan which must eventually come. May I point out to the minister that Canada should be building, and building speedily, an "Army of the Pacific". This should be composed, not only of men who can be sent anywhere, but men who have been trained just as thoroughly as the troops in Great Britain. Men who have been completely trained should not be taken from this army, as has happened in recent months, to be replaced by men who are only partly trained. That sort of thing should stop. Once the men in this "Army of the Pacific" have been trained, they should be left there and not drawn away as drafts to be sent overseas or to some other part of Canada. This army should be equipped as completely as the Canadian army in Great Britain and it should be supported by an adequate air force and by units of the various types that are needed in modern warfare. This has not been done. There is nothing even remotely approaching a set-up of that kind provided for the "Army of the Pacific" in Canada.

In this war Canada has two fronts, the Atlantic front and the Pacific front. Let the Canadian government, this House of Commons and the Canadian people realize that clearly. If they do not, sooner or later disaster may strike this nation. On the Atlantic front Canada is preparing to fight an offensive war in or from Great Britain; on the Pacific front she is preparing to fight, not an offensive but a defensive war. She is preparing merely to hold on, to fight a holding war. The Prime Minister in his radio speech, from which I quoted a few minutes ago, summed up the effect of such a policy quite clearly with these words:

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

Yet that is exactly the policy that is being followed by this government so far as the "Army of the Pacific" is concerned. On the other hand, the United States is fighting an offensive war on the Pacific. Troops are being sent abroad to various centres where they may meet the enemy far from American soil. If Canada pursues her present policy, and if the Japanese should attempt an invasion of this continent, the result may be that Canada's portion of the Pacific coast will be chosen for the attack. I point out these facts to the minister and to the hon. members because they merit the most careful consideration.

Let me ask hon. members to look again at the broad picture. What is parliament going to do about this situation of having units made up of men some of whom can be sent out of Canada and some of whom cannot?—a situation where one man in a company can say, "I do not have to go outside of Canada," while the man beside him has to go. That is, from a military point of view, and I am quite sure the minister will agree with me, placing a great handicap on our commanding officers and also on the troops themselves. What is parliament going to do about that situation? What is this House of Commons going to do about it? What are the members of this house going to do about it?

This week, only five days ago, the Canadian people freed our hands. That can be clearly seen in an advertisement which appeared in the Ottawa *Journal* of April 25 asking for a "yes" vote. At the bottom of the advertisement we find these words, "Free Canada for all-out war. Vote yes." Now the Canadian people have spoken and our course is perfectly clear. It is, I suggest, to free our own hands at once; and free them without further delay, because if we do not act soon it will be impossible to amend the National Resources Mobilization Act before the fall. Action should be taken now, without further delay, to remove the restriction which we ourselves imposed in section 3 of the National Resources Mobilization Act. If we take that action we shall show the Canadian people—and the Canadian people are watching us very closely at this time and are much concerned over the sort of leadership the Canadian House of Commons is going to give—we shall show the Canadian people that this House of Commons means business, that the plebiscite was not just a sham and that we intend to keep faith with them.

I say further that our course is clear also in this, that we must do more leading and less following behind, less running along behind our people in the grim business of waging relentless war. The Canadian people have been ahead of parliament and ahead of the government on most occasions from the very beginning of the war. That should be stopped now. We have in this House of Commons a grand opportunity to lead them, and I hope that the Canadian members of parliament will seize that opportunity and give courageous leadership, not only at this time and under these special circumstances, but also throughout the remainder of this grave but challenging period.

Mr. RALSTON: What the hon. member is saying so far as a Pacific army is concerned is, I think, what he has been advocating for some time. I have tried to assure the house and certainly the people of the Pacific coast that I have very much in mind the defence of that coast, in connection with which most active and effective measures are being taken. My hon. friend also said that we have not anything like a Pacific army now.

Mr. GREEN: I know the minister does not want to misquote me. Perhaps he did not follow me closely. What I said was this: I was advocating the building up an "Army of the Pacific" which could be used abroad, perhaps not as big as our army in Great Britain but an army that would be able to fight on its own, fight by itself. I said that we had not in British Columbia anything even remotely approaching such an army at the present time, and principally because the units are composed of men who cannot be sent beyond the boundaries of Canada.

Mr. RALSTON: Then my hon. friend was making two points. One point was that he was asking for the defence of the Pacific coast, and he was saying that there were two fronts in Canada. I know that he does recognize that, but sometimes when he has spoken I have wondered whether he did so, because he has been very strong in connection with the Pacific coast but seldom mentions the Atlantic.

Mr. GREEN: I do not like to have a statement like that made, because on every occasion when I have spoken in this house with regard to the defence of Canada, while I have pressed the needs of the Pacific coast—naturally as I represent a Pacific coast riding—just as firmly and as definitely as I could I have always referred to the needs of the east coast as well. If the members from the minister's own province have not gumption enough to get up and urge that steps be taken to improve the defence of the Atlantic coast, I do not think it helps very much to accuse somebody else who speaks of the needs of the Pacific coast of being unfair to Canada. The onus is just the other way. I say, give the Atlantic coast everything they need, and I have pleaded for that, not as strongly perhaps as I might have for the needs of the Pacific coast because I do not know all the facts. I do not appreciate the minister or any member getting up here and making accusations against me in that way. What he should be doing is speaking to the members of his own party who come from Nova Scotia, for example, and asking them why they do not get up and press the needs of the Atlantic coast. They are the people who should know them.

Mr. RALSTON: My hon. friend is simply setting up a straw man to knock him down again. I made no accusation against him. I said, and the members of the committee will bear me out, that there have been times in this house when my hon. friend has not seemed to realize that there were two fronts, but only one.

Mr. GREEN: I object to that. The minister should withdraw that because his statement is incorrect. If he can quote anything from *Hansard* to show that I have ever taken that stand I am prepared to let it go. But if not, I ask him to withdraw it.

Mr. RALSTON: It is twenty minutes to six o'clock, and while I hope my hon. friend will refresh his memory by looking up *Hansard*, I will withdraw my statement and say nothing more about it.

Mr. GREEN: The minister is the one who should look up *Hansard*.

Mr. RALSTON: My hon. friend was suggesting two things. He suggested an army of the Pacific and said that there was nothing like that now, and the reason there is nothing like that now, he says, is that there is no power to send men beyond the boundaries of Canada.

Mr. GREEN: That is one reason.

Mr. RALSTON: Is there any other reason that my hon. friend suggests why there is not an army of the Pacific, in practice if not in name?

Mr. GREEN: Perhaps the minister would have been better off if he had been listening a little more closely as I spoke. I suggested that he should build up an "Army of the Pacific" with the idea that it would be able to strike out. I suggested that it should consist not only of men who could be sent anywhere but also of trained men, men who

had received as thorough a training as our Canadian army in Britain. I said further that the practice should be stopped, if it is not already stopped, of taking away from the Pacific men who have been trained. Certainly within the last few months trained men have been taken away from there and sent elsewhere. I further suggested that such army should be equipped just as completely as our army in Great Britain, and that it should be adequately supported by the air force and the other arms of the service. The minister knows that it is not built up on that basis at all at the present time.

Mr. RALSTON: I still think that my hon. friend's fundamental objection to the measures we are taking on the Pacific was the fact that the troops were not in a position to be ordered abroad. I can assure my hon. friend that in the other respects every attention is being given and every effort is being made to form an army of the Pacific, not in name but in effect. I do not know of anything which is going forward with greater acceleration and more energy and vigour than that very thing of providing additional troops on the Pacific coast, and additional establishments for them, and training the men as fast as they can be trained. I can also assure my hon. friend that we are equipping them to the fullest extent we can provide, having regard to all the necessities with respect to equipment in active theatres.

Mr. GREEN: Is that army being built up as a striking force which could be used to strike, say, in Alaska, if necessary, or in Siberia? Is it the intention of the department to build up an army of that type, or is the department merely building up an army to hold the coast?

Mr. RALSTON: The department is not going to state its intentions with regard to what it is going to do with the army. What it is doing is building up two divisions, the seventh and eighth, and my hon. friend knows as well as anybody else the way divisions are built up. You have to start with the divisions themselves and carry on training and equipment in the normal way. What these divisions will be used for afterwards or where they may best be disposed are matters which will have to be dealt with as the circumstances arise. A large proportion of those two divisions are being provided and established near or adjacent to the Pacific coast.

With regard to the other matter, his question is, what will happen as a result of the plebiscite? That is really what my hon. friend was after.

Mr. GREEN: I meant exactly what I said. The minister need not say what I was trying to aim at. If he can understand English he knows what I said. There were no hidden motives or anything of that type. He need not try to drape them around me.

Mr. POULIOT: He answered my hon. friend.

Mr. RALSTON: My hon. friend need not be short about it. The situation is that that is the effect of what my hon. friend was saying.

Mr. GREEN: That is the minister's interpretation.

Mr. RALSTON: I can only say, with regard to sending men out of the country, the Prime Minister has already indicated that, as far as going to the Aleutian islands or to Washington is concerned, there would be no hestitation in using at any time the provisions of the War Measures Act for that purpose, if occasion arises. I do not think that that is what was in my hon. friend's mind. I think he had in mind an expeditionary force: although he speaks of an "Army of the Pacific", it is an expeditionary force he is thinking of.

Mr. GREEN: Mr. Chairman, I rise to a point of order. The minister is trying to put words in my mouth.

Mr. RALSTON: Then I will say, I suggest that that is what he has in mind.

Mr. GREEN: I did not make any suggestion at all. I wish the minister would leave my speech as it is and not try to twist it around.

Mr. RALSTON: I say, I suggest that what he has in mind is an expeditionary force. That matter will be dealt with and taken care of when the time comes. The situation at the present time is this. The hon. member speaks of trained men being taken away. Men are coming from these units and going overseas, and men who come from training centres are taking their place. That is the situation with regard to units on the Pacific coast now—

Mr. GREEN: May I ask the minister a question?

Mr. RALSTON: If the hon. member will let me finish the sentence; I say, my hon. friend suggests that that is not the way it is done. I only say that in the last war battalion after battalion after battalion was broken up in Canada and used for reinforcements. What we are doing here is maintaining the battalion and sending trained men to take the place of the men who are going overseas. I have been through that experience in the last war. It is not a figment of the imagination.

Mr. GREEN: The minister has missed the point.

Mr. RALSTON: I have tried to make another one, anyway.

Mr. GREEN: That is what I object to. He is trying to make two or three other ones. The point I was trying to make was that there should be set up an army of the Pacific, just as we have an army in Great Britain. I think it is unwise, when you have sent men into British Columbia, for this "Army of the Pacific", and they have finally become trained, to take them away from their units and send them—I don't know where, but I know and the minister knows that that has been done in the last few weeks, and raw recruits sent in, when the position is such that there might be an attack on that coast at any time.

Mr. RALSTON: In the first place, the men who were taken away, if I understand the situation correctly, were men who were going overseas—

Mr. GREEN: I don't know. They may have been taken east for instruction.

Mr. RALSTON: —and the raw recruits, as my hon. friend calls them, were men from the training centres who had had four months' training. There may have been some raw recruits among them, I do not know, but generally they were men who came from the training centres. Surely my hon. friend does not mean to lay it down as a military proposition that you must maintain the same units in the same job all the time. If you have men who are fit for general service, who have enlisted for general service, and who want to go overseas, and you have men to take their places, there is no reason why you should not use the man-power of Canada for that purpose. It is still an "Army of the Pacific" to use my hon. friend's expression. They serve and they are trained; they are armed, and they are prepared to carry on—

Mr. GREEN: May I put it this way—

Mr. RALSTON: Will my hon. friend permit me to finish the sentence? The only trouble in my hon. friend's mind is that they cannot be sent beyond the bounds of Canada. So far as the Aleutian islands and Washington are concerned the Prime Minister has indicated that he is prepared to send them any time it is necessary. With regard to sending them as an expeditionary force to Australia, or to Japan, that is another matter, which has to do more with the result of the plebiscite.

[Mr. Ralston.]

Mr. GREEN: With regard to this question of taking away trained men, consider this example. Suppose a regiment of artillery is sent into the Pacific area only partly trained; the training is completed and that unit is ready to fight, and then say half the regiment are taken away, sent I do not know where, and replaced by green men without that training. I submit to the minister that, in view of the danger of attack on the coast, that is not a very wise thing to do. That sums up my complaint—the taking away of men, once they are trained and prepared to fight, and replacing them by green men. The comparison with the last war is not a fair one, because at that time the fighting was all done in Europe. This time the fighting may be done in Canada.

Mr. RALSTON: All I will say to my hon. friend is, with regard to the illustration he gives, that taking away half the men at one time and replacing them with green men, certainly would not be wise. But I do not think that his hypothesis is correct, on either ground—

Mr. GREEN: My proportion may be wrong.

Mr. RALSTON: —either that they were green men or that half were taken away. I believe the practice is to release not more than ten per cent of the strength at one time and substitute them with men from training centres.

Mr. POULIOT: Mr. Chairman—

Mr. HANSON (York-Sunbury): With regard to this question which has arisen—

The ACTING CHAIRMAN (Mr. Bradette): With due respect to the leader of the opposition, I saw the hon. member for Témiscouata.

Mr. HANSON (York-Sunbury): Well, I have been on my feet three times.

Mr. POULIOT: I regret I must state that I rose two or three times before the hon. gentleman. The answer to part of the remarks of the hon. member for Vancouver South is to be found in *Hansard* of April 23, at page 1905. It is a quotation from a statement by Major-General Browne. Here is what the hon. member said:

> I think General Browne gave the picture quite clearly when he was quoted as saying at that time, "The reserve force may have to fight and it must be ready to fight as soon as possible," he said. "After all, there is no more war overseas than there is here now, and we may have some here sooner than they have, in view of the threats to our coast."

This is the declaration of an experienced soldier, and we find it on the lips of my hon. friend. It is to the effect that this country is threatened. The hon. member quoted a speech of our revered leader to the same effect, and all ministers have spoken the same way. The Minister of Justice said that Japan and Germany had their eyes on Canada, and even an admiral has stated that before long submarines were expected to come into the St. Lawrence river. I am not revealing any secret. All those statements can be found in public records, either in *Hansard* or in the press of the country. The question that we are discussing now is high above the heads of the Minister of National Defence, his colleagues and all of us. I am greatly surprised that the present discussion is not being carried on in camera. I am all for complete information to be given by ministers, but I find that information such as that which has been given this afternoon publicly by the minister—I do not complain about information being given, because I want to have information—is not such as should be given publicly. It has been stated by our Minister of National Defence this afternoon that the number of troops in our home guard in Canada is 15,000, if I heard rightly, and that is information which might be very valuable to the enemy. I am the last one to refuse information to the press if it is not as dangerous as this, if it is information that would not be used against us by the enemy.

I want to be clearly understood. Like the hon. member for Vancouver South (Mr. Green), I want complete information; but I repeat, that information should be given in camera without any strangers in the gallery. It should be given for the benefit of hon. members who have a right to know what is the policy of the government. What I say now I do not say for the purpose of suggesting to the minister that he should refuse any information about the conduct of the war, about our home forces, about our forces overseas, or about munitions or anything like that. What I suggest is that there are things printed in the press that should not be so printed. I do not accuse members of the press gallery or owners of their newspapers. They take what is given to them, and they do well to take it when it is publicly given. But in view of the very difficult time through which we are passing it is important that we meet together, without any party consideration, to get all possible available information, and to keep it for ourselves, simply making any suggestions which we may see fit to offer to the Minister of National Defence.

Here is where I disagree with the hon. member for Vancouver South. He is all for the defence of British Columbia, and in that regard I agree with him. I know that he is broadminded enough to concede that members from other parts of the country want those parts of the country defended as well as British Columbia.

Mr. GREEN: Certainly.

Mr. POULIOT: I know that. But this is the point on which I do not agree with him. He suggested some time ago that some troops should be sent to Australia as a token of friendship. We have the greatest possible admiration for the wonderful people of Australia, but what is their trouble? Why did they call on the United States to send them men? It was because the Anzacs were in all parts of the world except in their own country. That is why they had to call on the United States for help; and as the hon. member for Vancouver South complains that the defence of his great province is not now what it should be, that is one more reason for not sending any human token to Australia in these times.

My second objection to what he said is this. He said that, in view of the answer which was given by the Canadian people in the plebiscite, section 3 of the Mobilization Act should be amended so as to send our men anywhere, wherever they are needed. I disagree with him completely. I would have no objection to conscription for service overseas if we had such a supply of men as to ensure our complete home defence first. Then we could send the overflow outside. But the answer "yes" to the plebiscite is not so much an answer "yes" to conscription overseas, as has been suggested by some hon. members. I say that for this reason. I have met English-speaking members of this house, for whom I have the greatest respect, as I have for all hon. members, and they have told me that they were positively opposed to conscription, and their electors also, and that they voted "yes" just because they were told that conscription would not be imposed if they voted "yes."

Mr. HANSON (York-Sunbury): Who told them that?

Mr. POULIOT: I will mention one, Senator Gouin, who said that over the radio, and he was introduced by the hon. member for St. Lawrence-St. George (Mr. Claxton). He said, "If you vote 'yes' in the plebiscite, the plebiscite is to keep conscription away"—and it is reported on the last page of *Le Canada*. I do not agree with him on that, but this was said over the radio, and the senator was introduced by a member of this house who was strongly in favour of "yes." These things should be known to the country.

Mr. HANSON (York-Sunbury): The senator was introducing the member?

Mr. POULIOT: No; the member was introducing the senator over the radio, and that appears in the headlines in *Le Canada*. I have other quotations like that, and it is well known by all French members who read *Le Canada*. The suggestion I have made to the government is twofold: first, to improve our means of communication throughout this country, so as to facilitate the transport of troops from one point to another in case of emergency; and, second, to have mobile units. One hon. gentleman said that our army was more mobile than any other. That is true. No soldiers are left here; they have all gone away; it is a mobile army. My idea is that this country should be defended first. It must be defended precisely for the reasons given by our military leaders, the leaders of the army as well as of the navy, by the Prime Minister, and by all his colleagues. I find it most illogical to say that this country is threatened, when at the same time we have no men to defend it. It is more important to have men to defend the country, when the country is the arsenal of the empire; and this is one more reason why our enemies have had their eyes on this land.

Progress reported.

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

Monday, May 4, 1942

The house met at three o'clock.

REPORTS OF COMMITTEES

STANDING ORDERS—CONCURRENCE IN FIRST REPORT

Mr. W. H. GOLDING (Huron-Perth) moved:

That the first report of the standing committee on standing orders, presented to the house on May 1, be concurred in.

Motion agreed to.

VOCATIONAL TRAINING—CONCURRENCE IN FIRST REPORT

Mr. T. F. DONNELLY (Wood Mountain) moved:

That the first report of the special committee on vocational training, presented to the house on May 1, be concurred in.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

SMITHERS, B.C., AIRPORT

Mr. McGREGOR:

1. From whom was the land purchased in connection with the airport near Smithers, British Columbia?

2. What price was paid for such land?

Mr. HOWE:

1. After investigation and study of a number of possible sites for an airfield in the Prince Rupert area, the department, on the advice of its air officials, expropriated a portion of the farm property of Mr. Olaf Hanson, M.P., covering the east half of the southeast quarter of section 14, and the east half of the northeast quarter of section 11, containing approximately 155 acres; also arranged with the provincial government of British Columbia to place at the disposal of the dominion, by order in council for the same purpose, adjacent property consisting of the east half of the southeast quarter of section 11, the west half of section 12, and the southwest quarter of section 13, township 1A, containing approximately 320 acres.

The land thus expropriated was held to have the following advantages: It was sufficiently inland to be within the favourable weather area; it presented suitable flying approaches; it was close to the railroad and the main road; telephone, telegraph and power were available, also water supply from a lake adjoining the site. Topographical features also were such that it was possible to lay down the runway into the prevailing winds which are not of the high velocity encountered on the coast.

2. The consideration in respect of the provincial crown property will be nominal. No payment has as yet been made for the Hanson property.

NATIONAL SALVAGE DIRECTOR

Mr. COLDWELL:

1. Is Mr. Charles LaFerle's announcement, made in Toronto, of his appointment as national salvage director, correct?

2. If so, (a) what was his former employment; (b) with whom was he employed; (c) upon whose recommendation was his appointment made; (d) what salary or other emoluments did he receive?

3. Has Mr. William Knightley been national salvage director?

4. When was he appointed?

5. Upon whose recommendation was his appointment made?

6. What was his former employment?

7. Who were his former employers?

8. What salary or other emoluments did he receive in this office?

9. If a change has been made, upon whose recommendation and for what reasons?

Mr. THORSON:

1. Yes; Mr. LaFerle's appointment as National Salvage Director was made by order in council under date of April 30, 1942.

2. (a) Transportation Manager; (b) Robert Simpson Company, Limited, Toronto; (c) Hon. Mr. Justice T. C. Davis, associate deputy minister of the department; (d) no information.

3. No formal appointment as such was made, but Mr. Knightley, while on loan to the Department of National War Services from the Department of Transport, has been in charge of the salvage division of the department.

4. He began such duties in February, 1941.

5. He assumed such duties on the recommendation of Hon. Mr. Justice T. C. Davis, associate deputy minister of the department.

6. Supervisor of stores and plant.

7. Department of Transport, Ottawa.

8. Salary of $3,720 per annum.

9. The recommendation for Mr. LaFerle's appointment originated with Hon. Mr. Justice T. C. Davis, associate deputy minister. Because of the growing importance and rapid expansion of the salvage division, greater emphasis has to be placed on the organization of machinery for the collection of salvage of all kinds. It was felt that the appointment of a man of Mr. LaFerle's experience was necessary to organize effectively such machinery throughout Canada. Mr. Knightley continues as associate director with no change in salary.

ELECTRICAL OR RADIO PATENT RIGHTS

Mr. ESLING:

1. Is the government considering the appropriation for war purposes of radio patents controlled by Thermionics Limited or by any other radio company or individual owning or controlling electrical or radio patent rights?

2. Has the government entered into any contract with any Canadian company or individual for the purchase or use of any electrical or radio patents for war purposes?

3. If so, what are the names of the companies or individuals?

4. What do the patents cover and what are the terms of the transaction?

Mr. HOWE:

1. All radio patents, some nine hundred in number, owned or controlled by Canadian manufacturers of radio equipment have been placed at the disposal of the government for the duration of the war, compensation to be such as the Commissioner of Patents may determine.

2. No, except as above.

3. Answered by 2.

4. Answered by 2.

MUNITIONS AND SUPPLY—TRANSFER OF OFFICES FROM OTTAWA

Mr. ISNOR:

1. Have the head offices of any branches of the Department of Munitions and Supply been moved from Ottawa to other cities?

2. If so, what are the names of such branches and to what places have they been transferred?

3. What are the names of parties in charge of offices and the salaries of such persons?

4. What number of additional employees are required because of changes?

5. What was the total cost of making such changes?

6. What was the purpose?

7. Were any such changes made or regional offices set up in the maritime provinces? If so, where?

Mr. HOWE:

1. Yes, one only.

2. (a) The controller of construction.

(b) Transferred from Ottawa to Toronto.

3. (a) C. Blake Jackson, controller of construction.

(b) $7,200 per annum.

4. None.

5. Not yet known—approximately $1,000.

6. (a) It is anticipated that this move will facilitate the handling of an increased volume of applications with respect to construction projects and products arising out of the extension of the powers of the controller of construction effected earlier this year.

(b) To release office space in Ottawa.

(c) C. Blake Jackson is administrator of building products, under the wartime prices and trade board, with offices in Toronto, as well as controller of construction. This move enables Mr. Jackson to carry on his dual duties more satisfactorily.

7. (a) The oil controller has established regional control offices in Charlottetown, P.E.I., Halifax, N.S., and Saint John, N.B.

(b) The transit controller has established a regional director of transit control, with offices in Halifax, N.S.

The oil controller and the transit controller are using space in Halifax secured from the wartime prices and trade board regional price and supply office.

(c) The deputy controller of ship repairs has his office in Halifax, N.S.

(d) The timber controller has an assistant, with office in Saint John, N.B.

(e) Industry and sub-contract co-ordination branch has a regional office in Saint John, N.B.

(f) General purchasing branch has district purchasing offices in Halifax, N.S., and Saint John, N.B.

LABOUR CONDITIONS—EXPLOSION AT WATERLOO, QUE., CHEMICAL PLANT

Mr. LECLERC:

1. Is the government aware that an explosion occurred recently at the works of the International Flare and Signal Company at Waterloo, Quebec, causing seven or eight deaths?

2. Has the government awarded any war contracts to this company?

3. If so, (a) what is the minimum salary or wages paid; (b) are employees injured in accidents occurring in war industries entitled to workmen's compensation?

Mr. MITCHELL:

1. The explosion referred to occurred actually in the MacDonald Chemical Company plant which is a concern under the same ownership as the International Flare and Signal Company, and is adjacent to the latter plant. The government is aware of the explosion and the regrettable loss of life and injuries sustained by employees and the matter is under investigation at the present time.

2. Yes.

3. (a) Employers are required to conform to wage regulations specified in P.C. 7679, which provides for minimum wages of 35 cents per hour for adult males and 25 cents per hour for adult females; (b) Employees in war industries are entitled to workmen's compensation benefits.

MILITARY SERVICE—CONSCIENTIOUS OBJECTORS

Mr. WINKLER:

1. By provinces, how many applicants have asked for postponement of military service on the grounds of conscientious objection to military service?

2. By provinces, how many such requests were granted?

Mr. THORSON:

Provinces	1. Applicants who asked for postponement of military service on the grounds of conscientious objection	2. Applicants who have been granted postponement of military service on the grounds of conscientious objection
P.E.I.	6	2
N.S.	10	1
N.B.	12	2
Que.	108	13
Ont.	477	338
Man.	1,095	1,039
Sask.	265	257
Alta.	214	128
B.C.	386	194
Total	2,573	1,974

DEHYDRATION OF VEGETABLES

Mr. HATFIELD:

1. What progress is being made with the dehydration of vegetables plan as outlined in order in council P.C. 9228/41?

2. What plants have been equipped to do this work and where are they located?

3. Have any plants been equipped in the potato-raising sections of New Brunswick and Prince Edward Island?

4. How much of the money appropriated has been expended to date?

5. What quantity of each vegetable has been dehydrated and what was the market price of each?

6. What was the cost per pound to dehydrate these vegetables?

7. What market was found for the dehydrated vegetables and at what price per pound were they sold for each different vegetable?

Mr. GARDINER:

1. The project for dehydration of vegetables under order in council P.C. 9228/41 is completed.

2. The following established dehydration plants received some special extra equipment in order to process the vegetables according to specifications prescribed by the Department of Agriculture: The United Fruit Companies of Nova Scotia Limited, Kentville, N.S., factory at Aylesford, N.S.; Berwick Fruit Products Limited, Berwick, N.S.; R. B. Graham, manufacturer of dehydrated vegetables and fruits, Belleville, Ontario; Gordon Beardmore and Company Limited, Oakville, Ontario; Bulmans Limited, Vernon, B.C.

3. No.

4. Expended to April 29, 1942: Equipment, $21,109.96; raw materials and processing, $98,513.30.

5. Quantity of each vegetable dehydrated and market price:

	Amount Processed Tons	Average Price Paid per ton
Potatoes	1,100	$26 to $44
Turnips	690	15
Carrots	300	25
Cabbage	205	25

6. Vegetables were dehydrated under terms of a target contract, with ceiling price, actual cost will not be known until the completion of government audit being conducted in accordance with agreements with processors.

7. The armed forces in Canada and abroad:

	Prices f.o.b. factory
Potatoes	31c.
Turnips	45c.
Carrots	47c.
Cabbage	73c.

RESERVE AIRPORT, SYDNEY, N.S.

Mr. GILLIS:

1. Who obtained the construction contract for the erection of buildings at the reserve airport, Sydney, Nova Scotia, during the winter and spring of 1940 and 1941?
2. Was the contract let by tender?
3. Was the lowest tender accepted?
4. If not, for what reason?
5. What was the price of the lowest tender?
6. What was the final cost of the job?
7. Who was awarded the construction work at Point Edward Sydney, Nova Scotia?
8. Was this awarded on a cost-plus basis and at how much per cent?
9. If so, why were tenders not called?

Mr. HOWE:

1. Fundy Construction Company of Halifax, Nova Scotia.
2. Yes.
3. Yes.
4. Answered by 3.
5. $445,178,
6. The final cost has not yet been determined. It is expected to be approximately $808,000, which included necessary additions to the original contract.
7. Dominion Construction Company, Toronto, Canada.
8. The contract was awarded on the basis of cost plus a fixed fee to the contractor.
9. The plans had to be developed as the work progressed and it was therefore considered impractical to call for tenders.

PRAIRIE FARM ASSISTANCE—QU'APPELLE RIVER DAMS

Mr. PERLEY:

1. How many dams were constructed, under the Prairie Farm Assistance Act, during 1939, 1940 and 1941, on the Qu'Appelle river between Lumsden, Saskatchewan and the Manitoba boundary?
2. At what points?
3. What was the cost of each?
4. Were tenders called in each case?
5. Who was the contractor in each case?

Mr. GARDINER:

1. Two.
2. Crooked lake and Round lake.
3. Crooked lake, $20,805; Round lake, $18,625.
4. Yes. One contract covered both dams.
5. P. South, Regina, Sask.

SHIPMENT OF EGGS TO BRITAIN

Mr. BRUNELLE:

1. For purposes of export, what is the fixed quota for the production of eggs in each of the provinces of Canada?
2. How many contracts for export have been awarded for all Canada for evaporated eggs?
3. In connection with the egg exportation contracts, how have they been divided among the several provinces?

Mr. GARDINER:

1. There are no fixed quotas for the production of eggs for export from each province.
2. Two contracts have been entered into for the export of shell eggs to Great Britain in 1942; one for 23,100,000 dozen and the second for 15,000,000 dozen. Of this quantity, 4,110,000 dozen had been exported in the shell up to February 7, when the ministry of food requested that the remainder be dried and shipped to Britain in that form. Since then an additional contract for 2,300,000 lbs. of dried eggs has been completed.
3. There has been no effort to divide the export contracts among different provinces. The contracts are sufficiently large to take all available eggs from all provinces. Quantities delivered or contracted from each province to the end of April are:

	Dozen
British Columbia	775,140
Alberta	3,228,210
Saskatchewan	3,523,320
Manitoba	3,148,920
Ontario	10,378,080
Quebec	561,390
New Brunswick	18,000
Nova Scotia	—
P.E.I.	126,000
Total	21,759,060

PLEBISCITE—QUEBEC COUNTIES

Mr. PARENT:

1. How many electors, men and women, were there on the voters' lists for the plebiscite on April 27 last, in the following counties: (a) Maisonneuve-Rosemont, (b) Mercier, (c) Mount Royal, (d) Outremont, (e) Ste. Anne, (f) St. Antoine-Westmount, (g) St. Denis, (h) St. Henri, (i) St. James, (j) St. Lawrence-St. George, (k) St. Mary, (l) Cartier, (m) Hochelaga, (n) Jacques-Cartier, (o) Laurier, (p) Verdun?
2. How many voters of both sexes were omitted from the lists in each of these counties and voted after having taken the oath in order to ascertain their right to vote in the polls of the said divisions?

Mr. McLARTY:

1. Information not yet available.
2. This information is given only in a poll book which forms part of plebiscite documents. Form 42 of the ordinary voter plebiscite regulations prescribed that such documents are only subject to inspection in certain cases.

ADMISSION TO CANADA OF CONSCIENTIOUS OBJECTORS

Mr. POULIOT:

1. Since the beginning of the war, were any conscientious objectors admitted to Canada?
2. If so, how many?

Mr. CRERAR:

1. Information not available.
2. Answered by No. 1.

DOUKHOBORS, MENNONITES AND CONSCIENTIOUS OBJECTORS

Mr. POULIOT:

What is the number of (1) Doukhobors, (2) Mennonites, (3) conscientious objectors, (a) in each province, (b) in each constituency?

Mr. THORSON: This question cannot be answered because it is not possible to identify the categories of persons. If the hon. member will redraft his question, it can be considered, but in the meantime I ask that it be dropped.

Question dropped.

MILITARY SERVICE—AGES 18 TO 30—NUMBERS MOBILIZED, REJECTED OR EXEMPT

Mr. JEAN:

1. According to the latest statistics what is the number in each province, of (a) young men of 18, 19 and 20 years of age; (b) young men of 21, 22, 23 and 24 years; (c) young men of 25, 26, 27, 28, 29 and 30 years?
2. What is the number in each province of those actually mobilized for active service in each category?
3. What is the number, by provinces, of those who have been declared incapable of military service?
4. What is the number, by provinces, of young men between 18 and 30 years of age who are exempt from military service under the law or by reason of their beliefs?

Mr. RALSTON: This question should pass as an order for return, but I do not think the statistics asked for in paragraph 4 are available.

Mr. HANSON (York-Sunbury): Why is it not possible to get information of that kind? You could get it by military districts.

Mr. RALSTON: The hon. member is asking for the number of men exempt from military service under the law or by reason of their beliefs. I understood at first that he was referring to postponements, but possibly that is not so, in which event it can be answered.

Mr. HANSON (York-Sunbury): As the law now stands it seems to me that that can be answered. I assume the reference to beliefs would refer to conscientious objectors.

Mr. RALSTON: That must be covered by law too.

[Mr. McLarty.]

Mr. POULIOT: This does not come under the Minister of National Defence; it comes under the Minister of National War Services.

Mr. THORSON: I would ask that this question stand.

Mr. SPEAKER: Question stands.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CANADIAN ARMY—PERMANENT FORCE

Mr. STOKES:

1. How many officers of the permanent force of the Canadian army are now serving in Canada, and how many are serving overseas?
2. What is the name of each officer of the permanent force of the Canadian army?
3. What rank was held and what pay and allowances and/or salary was received by each such officer in the fiscal year prior to the outbreak of war?
4. What rank does each such officer now hold and what is the total pay and allowances and/or salary of each such person at the present time?

Mr. RALSTON: This question will be passed as an order for return, but I want to tell the mover that it will take some time to get the information. The information with regard to pay and allowances of those who are overseas will have to be got from England.

CANADIAN FORCES—MEMBERS OF PENTECOSTAL OR FULL GOSPEL CHURCH

Mr. STOKES:

How many members of the Pentecostal or Full Gospel church are in (a) the army, (b) the air force, (c) the navy?

GOVERNMENT EMPLOYEES IN RECEIPT OF NET REMUNERATION IRRESPECTIVE OF INCOME TAX RATE

Mr. JACKMAN:

1. Is any officer or employee of this government or any government-owned corporation, or other emanation of the crown, in receipt of any salary, remuneration or other emolument, as to which the recipient is guaranteed a net amount irrespective of the rate of personal income tax, or is any such recipient the holder of a contractual right or undertaking given by the payor whereby the amount received is dependent on the rate of personal income tax?
2. If so, what are the names of such officers or employees?
3. How much does each receive annually?
4. How much is the tax assumed indirectly by the payor in each case on the income paid to such individual for the calendar year 1941?

MOTIONS FOR PAPERS

CLOSING OF WINNIPEG GRAIN EXCHANGE

Mr. FAIR:

For a copy of all letters, telegrams and other documents exchanged between the Canadian

wheat board or the Department of Trade and Commerce or any other department of government and the British cereals import board or any department of the British government, dealing with the closing of the Winnipeg grain exchange.

Mr. CRERAR: My colleague the Minister of Trade and Commerce (Mr. MacKinnon) is not in the house to-day but he has asked me to make the following statement regarding this motion.

The requests from the British cereals import board to keep the Winnipeg grain exchange open have always been embodied in cables which the wheat board have received from the United Kingdom. In every message there are matters relating to other government business, and it is therefore not advisable to table the entire communications.

If my hon. friend will turn to page 2360, volume 3, of the 1940 debates of the House of Commons, he will find a complete cablegram from the deputy director of the cereals import board to Mr. George McIvor, from which I quote in part:

This branch of the ministry of food is desirous that the Winnipeg futures market be kept open.

The balance of the message can be found in *Hansard*. And again on page 3682 of the *Hansard* of 1941, I read a quotation from another cable as follows:

Cereals of course must be assured that the market remains open.

The British authorities have consistently maintained this position. Further than this, it is not in the public interest to table any documents. With this information, I think the motion might be dropped.

Mr. FAIR: This matter has raised considerable doubt in the minds of people throughout Canada. The British government closed the exchange in England immediately after the war started and the people are wondering why the Canadian grain exchange must be kept open. Personally I believe that if the Minister of Mines and Resources were to open up his heart in the interests of the farmers who sent him here originally, he would give us a whole lot of information—

Some hon. MEMBERS: Order.

Mr. FAIR: —as to the reasons for this exchange being open.

Mr. CRERAR: I have stated already that it is not considered in the public interest to bring down these communications. I have been long enough in this house that I do not need to have any instructions from the hon. member for Battle River (Mr. Fair). When the government states that it is not in the public interest to bring down these documents I think that should be accepted by the house. If the hon. member for Battle River will reflect, he will realize that there are two parties to these decisions and to these cables. This government is not in the habit of bringing down communications of that kind when other government authorities are concerned.

Motion dropped.

BRITISH WHEAT PURCHASES, 1939-42

Mr. FAIR:

For a return showing the price paid by the British cereals import board or any department of the British government for wheat purchased from the Canadian wheat board during the crop years 1939-40, 1940-41 and 1941-42 to date.

Mr. CRERAR: The objection raised to the previous motion will apply to this motion. The Minister of Trade and Commerce (Mr. MacKinnon) has asked me to make the following statement.

In reply to the hon. member for Battle River, I wish to state that one of the terms of the sales contract between the Canadian wheat board and the British cereals import board is that the price will not be disclosed on this side. They have been asked to consider a departure from this undertaking, but are unwilling to allow us to disclose the price. We are bound to abide by their decision. On these grounds I would ask that this motion be dropped.

Mr. HANSON (York-Sunbury): This simply means that the Canadian people are not to be told anything about what their own agency is doing with respect to the sale of wheat so far as price is concerned. Notwithstanding the intimation that the buyer does not want these prices revealed, I respectfully dissent from that view. I think the people of Canada, and particularly the wheat producers of Canada, should know what the wheat board is getting for the wheat produced. The price paid to the wheat producers is the residual.

Mr. COLDWELL: Mr. Speaker, might I suggest that the answers that are now being given are a great reflection on our own power to govern ourselves. Surely this parliament as a body should not be dictated to by any body outside.

Mr. CRERAR: If I may be permitted, the hon. member for Rosetown-Biggar (Mr. Coldwell) is taking a wholly wrong view.

Mr. COLDWELL: No, I am not.

Mr. CRERAR: This is a transaction between a government board in Canada and a govern-

ment board in Great Britain for the purchase of wheat. If the other party to the agreement do not wish, for reasons which they consider good, to have the information disclosed, I think we should respect that view. There is no question of any injustice being done to the farmer. The worst that could happen would be the criticism that perhaps we were not getting a large enough price for the wheat, but under the terms of the wheat board act, if the total amount realized exceeds the advance that has been paid by the wheat board the balance goes to the farmer. There is no question about that.

Mr. COLDWELL: But the farmers have the right to know what they are getting.

Mr. HANSON (York-Sunbury): We know what we are getting for our bacon; we know what we are getting for our cheese; why should we not know what we are getting for our wheat?

Mr. CRERAR: I will bring the matter to the attention of my colleague the Minister of Trade and Commerce, and he may inquire from the British cereals import board whether they are willing to have the price disclosed. Otherwise I think it should not be disclosed.

Motion stands.

NATIONAL WAR LABOUR BOARD—WAGE AND BONUS ADJUSTMENT DECISIONS

Mr. COLDWELL:

For a copy of the national war labour board's decision regarding wage and bonus adjustments and the reasons therefor, in the case of: (a) the application of the employees of the Martin Transport Company through their union, the Canadian Brotherhood of Railway Employees; (b) the application of the employees of the Dominion Coal Company and other coal companies in Nova Scotia through their union, district 26 of the United Mine Workers of America.

TORONTO COAL TRADE

Mr. NOSEWORTHY:

For a copy of all correspondence, during the years, 1939, 1940, 1941 and to date in 1942, exchanged between, (a) W. A. Gunn and Mr. Ilsley, regarding cannel coal; (b) Mr. Roebuck, M.P., and Mr. Ilsley regarding Toronto coal trade; (c) Mr. Conant, Attorney General for Ontario, and Mr. Ilsley, regarding Toronto coal trade; (d) Mr. J. F. Ogston, manager of the Ferguson Fuels Limited, and the chairman of the wartime prices and trade board; (e) wartime prices and trade board and the fuel administrator and the Toronto retail fuel dealers' association, together with letters written by individual Toronto coal dealers to the wartime prices and trade board and the fuel administrator; (f) W. A. Gunn and Mr. Ralston and Mr. Ilsley regarding a 10 per cent import tax on coal covering the 1940 season; (g) the Toronto Retail Fuel Dealers' Association and the Toronto trade and industry commission.

Also a copy of the brief presented to the manager of the Combines Act by Senator McGuire, on behalf of the Toronto Retail Fuel Dealers' Association.

Mr. ILSLEY: I submit that this motion should not pass without certain reservations. In the first place, some of the communications asked for will likely apply to the private business of those writing. If the motion should pass, and I have no objection generally speaking to its passing, it should be subject to the reservation that if it does not appear to be in the public interest to make public communications which relate to private business, those communications will not be produced. Secondly, the communications which passed between the Toronto retail fuel dealers' association and the Toronto trade and industry commission, if any, are not I assume in the possession of this government. Finally, I am not sure what official is meant by "manager of the Combines Act." Subject to these reservations I have no objection to the motion passing.

Mr. COLDWELL: There are quite a number of reservations. I submit that when a business or corporation is doing business with the government, the submissions they make and the business they do become public business and that therefore the communications referred to in the motion are in the nature of public documents and ought to be tabled. I submit that for the consideration of the minister.

Mr. ILSLEY: My view about that is this. There can be no objection whatever to bringing down communications between Mr. Gunn and myself, although I do not know what they were, nor am I sure that there were any, but I am quite sure he would be acting on behalf of a body of opinion in writing such letters, and naturally my letters in reply would not be privileged. The same remark would apply, I assume, to the communications between Mr. Roebuck and myself, if they were not marked confidential or private. I have no recollection of any such communications. The same remark would also apply to communications between the attorney general of Ontario and myself. But when we come to the communications between Mr. Ogston, whom I do not know, and the chairman of the wartime prices and trade board, I assume that Mr. Ogston might be revealing in complete form the details of his private business and therefore they would not be made public. There comes a limit beyond which communications should not be produced—the type of communication, for instance, that passes

between the Department of National Revenue and taxpayers. They are not regarded as public documents or as documents which should be produced in the house.

With regard to the rest of the resolution it would appear to me that any communications between the wartime prices and trade board and the fuel administrator and the Toronto Retail Fuel Dealers' Association would be properly producible. But when it comes to letters written by individual coal dealers in Toronto, if there are any such, if a coal dealer stated the volume of his business and dealt with his personal problems in a letter I doubt whether it should be produced. Some discretion would have to be exercised by the minister as to whether the documents should be made public. I would not like the motion to pass without these reservations being made. Subject to these reservations, everything that can be produced will be brought down.

AMIENS, SASK., POSTMASTERSHIP

Mrs. NIELSEN:

For a copy of all correspondence, telegrams and other communications exchanged during the last six months, between the government and any individual regarding the post office at Amiens, Saskatchewan, and the appointment of a new postmaster in that office.

NO. 40 SERVICE FLYING TRAINING SCHOOL

Mr. HANSELL:

For a copy of all letters, telegrams, agreements and other documents exchanged during the past year between the government or any department thereof, and any person or persons, regarding the changing of the name of No. 40 service flying training school from Kircaldy to Vulcan.

OTTAWA CAR AND AIRCRAFT

Mr. JOHNSTON (Bow River):

For a copy of all letters, telegrams, agreements, evidence and other documents in the possession of the Department of Munitions and Supply, dated since the beginning of the present war, regarding the Ottawa Car and Aircraft Manufacturing Company of Ottawa.

DEFENCE OF CANADA REGULATIONS

APPOINTMENT OF COMMITTEE TO CONSIDER AND REVIEW REGULATIONS AND AMENDMENTS THERETO

Hon. LOUIS S. ST. LAURENT (Minister of Justice) moved:

That a select committee of this house, consisting of the following members: Messrs. Bence, Bertrand (Laurier), Black (Yukon), Claxton, Dupuis, Hansell, Hazen, MacInnis, McKinnon (Kenora-Rainy River), Martin, Maybank, Michaud, O'Neill, Ross (Calgary), Slaght, be appointed to consider and review the defence of Canada regulations (consolidation), 1941, and amendments thereto; with power to send for persons, papers and records; to examine witnesses under oath; and to report their opinions and observations from time to time to the house.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, this would seem to me to be an appropriate time for our new colleague the Minister of Justice (Mr. St. Laurent) to address this house on a formal occasion, and I invite him to do so.

Mr. MACKENZIE (Vancouver Centre): He will finish the debate if he does so.

Mr. HANSON (York-Sunbury): Well, he has moved a motion without saying anything; he has the right to wind up afterwards; and as he did not rise, I thought it was incumbent upon me to extend this invitation.

This committee which has been set up annually in this parliament has served, I think, a very useful function. I am told, by those who have had the privilege of acting upon it, that it has been freer from partisan considerations than any other committee which has been operating in this parliament. This is all to the good, because it is dealing with a problem which has, I should hope, nothing to do with party.

We have had from time to time one or two debates on the reports of this committee, and they have been instructive and illuminating. I am not unaware of the fact that public opinion has changed from time to time with respect to the deliberations of this committee and the recommendations which it has made to parliament and which have been crystallized by changes in the regulations. In the early stages of the war everybody was to be interned. Later a more liberal view prevailed. The late minister of justice had his own ideas and opinions, and I am wondering what the position of the new minister is with regard to this very important problem —one which no doubt is constantly before him.

I should like to know in particular what his attitude is towards that body of public opinion, if I may so term it, the communist party of Canada. I understand that certain communications have passed between an official of that party, which is now barred and is probably operating under another name, and the minister himself; in fact I have seen a copy of an open statement which was made to the minister. I should like to know what the present attitude of the department is with relation to the communist party, which at the present time is declared to be an illegal body in Canada, but which to-day, if one can believe the protestations that appear

in the public press and the communications which reach us in manner I know not just how, is for an all-out war effort. Has that had any effect upon the minds of the minister and his advisers, or does something lie behind it? I am not making any allegations or statements; I am looking for information. I think we have the right to know, since this motion has been put to the house, what is the policy of the government in relation to the important question of the defence of Canada regulations. Are they to be ameliorated or are they to be stiffened? What lead will the minister give to the committee, or is the committee to be left with a free hand, as has been the case in days gone by when recommendations have been made by the committee? It would be interesting to know, so far as it is possible to express it here, the policy of the government in regard to this matter.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I am very glad to know that a committee is to be set up again to review the defence of Canada regulations and to consider the administration of the regulations. I regret exceedingly that I am not able to serve on the committee this year. I believe the leader of the opposition (Mr. Hanson) was quite correct in his statement that probably in no committee has there been less political partisanship than in the defence of Canada committee. From time to time when we divided it was frequently along the lines of, shall I say, a liberal interpretation of the regulations, versus one which was not so liberal and the liberal interpretation seemed to cut clear across party lines in the committee.

I think it is wise that the house should review each session the operations under regulations such as these, which do infringe upon normal peace-time rights of the citizens of this country. During the past two and a half years, since the war broke out and these regulations have been in effect, there has been a great deal of criticism both of the regulations and—sometimes—of the manner in which they have been administered. From time to time the committee, after full and free discussion, recommended modifications of certain of the regulations, and I am glad to know that all the modifications recommended last year were subsequently implemented by the government, so that the consolidated regulations as they now stand are in effect approved, to a very large extent, by the committees which have worked upon them.

There are still some defects which ought to be remedied. I have never been quite satisfied with regulation 21, although under the procedure adopted now under No. 22, regulation 21 becomes less objectionable. I think I may say, as one who up to about ten months ago had received voluminous protests against section 21, that since then I have received very few. Yet I feel that section 21 and the administration thereunder should be carefully reviewed this year by the committee.

We have in Canada, as the leader of the opposition intimated a few moments ago, a large number of people in civilian concentration camps, classified as prisoners of war, who were picked up because it was suspected that they held ideas subversive of Canada's war effort. They of course fell into two groups. There were the ones referred to by the leader of the opposition a few moments ago, those who were accused of communistic attachments; and there was a large group of Italians who were suspected of fascist tendencies. As the leader of the opposition quite properly pointed out, at the outbreak of hostilities there was a demand that very large numbers of people should be interned immediately, and I think it is not untrue to say that many of the people who were picked up at that time and placed in concentration or internment camps were placed there on very flimsy evidence. I have noted, therefore, with a good deal of interest and satisfaction, that the present Minister of Justice this year has had reviewed many of these cases, and some of these people have been liberated. But perhaps we are still too narrow in our view in that regard, and many of the people who were accused, for example, of communistic affiliations, because of their attitude towards the war before Russia entered the war, are now anxious and willing to assist in every way possible to carry forward our war effort.

As the house knows, I have very little confidence in people who more or less place another country ahead of their own, and whose ideas are governed entirely by events which take place elsewhere. Nethertheless I think it is quite proper to say that these cases should be reviewed and that those who are genuinely opposed to the fascist and Hitler ideas, as I believe that all these people really are, should receive consideration and should be allowed to resume their normal lives as a part of the community. I do not think it is wise or good, I do not think it is conducive to the maintenance of morale in this country, that people should be incarcerated because of views they held two years ago which have changed drastically in the past ten or twelve months.

There are one or two other matters in connection with these regulations to which

I wish to refer. A number of papers have been banned from time to time. Against the banning of these papers there has been no adequate appeal, and I am at a loss to understand just what the policy of the government is in regard to periodicals published outside and within this country. I have been receiving free for the past eight or ten months, ever since, I believe, the first issue appeared, a publication known as the *Voice of Austria*. I noticed only to-day that this was published in Ottawa; I thought it was still published in New York. When I was in Great Britain last October I met the secretary of the Free-Austrian movement of Great Britain, the council of democratic Austrians in that country. To show that it is a respectable organization I will read the list of patrons: The Most Rev. the Lord Archbishop of York, now Archbishop of Canterbury; the Rt. Rev. the Lord Bishop of Chichester; the Chief Rabbi; the Rt. Hon. Lord Hailey, G.C.S.L., G.C.I.E.; Sir William H. Bragg, O.M., K.B.E., F.R.S.; Comdr. O. S. Locker Lampson, C.M.G., D.S.O., M.P.; Maj. V. Cazalet, M.C., M.P.; Mrs. M. Corbett-Ashby; Mrs. D. F. Buxton. The chairman of the council is Professor W. Schiff, and the secretary, Miss E. Kolmer. I had a communication from Miss Kolmer, writing as secretary of the council of Austrians of Great Britain, which reached me after I left London, and I think it would be well for me to place the letter on the record because it will give the background to what I shall have to say in a moment. I quote:

Austrian Centre,
124, 126, 132, Westbourne Terrace,
W.2
28th November, 1941.

Mr. Coldwell, M.P.,
House of Commons.
Ottawa. Canada.
Dear Mr. Coldwell:

You will remember our talk on Austrian matters when I saw you in London. I wonder whether you have seen the *Voice of Austria* which is being published in the U.S.A. I am sending you herewith some extracts from this paper which I think are about to do great harm to the Austrian cause, because they alienate Czechs, Yugoslavs and any of our neighbour nations with whom we hope to live in peace, friendship and closest collaboration. We would be most grateful for anything you can do to make known our views on this subject.

I have before me a statement of the Free Austrian Movement giving their views regarding post-war Europe.

No national socialism for us, reformed or not, brown or of some other shade, neither with Hitler nor with Thiessen, nor with any of our home-grown Quislings. But we cannot decide to-day what Austria will look like after the war and which form of relationship towards other nations she will choose. There are many possibilities, and it is not our business to decide on one now, and to try to impose it on the Austrian people later on. The only thing we can work for now is to give our country the chance to be free and independent again and to enable the Austrian people to decide their future. There are many divergent views about the country we are going to build after the war, but we rather welcome this variety. The more ideas are advanced on planning the future the more likely that we will find the best way in the end.

I point that out in contrast to the *Voice of Austria* to which I have referred and which is published in this country. Let me now read to the house a paragraph from the publication, published in Ottawa. The edition I have in my hand came to my desk this morning.

Mr. MARTIN: What was the last statement quoted from?

Mr. COLDWELL: The last statement was from the press bulletin of the Council of Austrians in Great Britain issued last October, and I want to contrast it with the point of view which is expressed in this other expensively printed periodical.

Indeed, the foreign minister of Czechoslovakia and after Masaryk's premature death her president, had a very influential voice in Europe for twenty years. Many important decisions were based on his advice. It would perhaps be unjust to judge him by the final result. But there was something wrong in the fact that the leader of a small race—the Czechs number 7 million—directed the fate of a continent which is inhabited by more than 400 million people. This could not find a happy ending. It roused too many animosities. When Czechoslovakia was founded, the Czech spokesmen promised that they would copy the example of Switzerland. In foreign affairs this would have meant caution and reticence. Swiss statesmen were silent between the two wars, often more silent than we should have desired since they could have acted as a rich source of political wisdom. The leader of the Czechs had his finger in every pie. Old Austria-Hungary's foreign policy had been too active for a mixed community but she had had her duties as a great power. Czechoslovakia, not less mixed, made the same mistake without being obliged to.

Since, as we have shown, the fiction of the Czechoslovak nation—

Note that—"the fiction of the Czechoslovak nation." I venture to say that there is no people on earth to whom we owe a greater obligation than to the people of Czechoslovakia. There are no people to whom we owe a greater measure of restitution than to those people who were thrown overboard in order to preserve a few months of uneasy peace in 1938. Yet we have a refugee of enemy nationality coming to this country and daring to write in the terms which I have just quoted. To continue:

Since, as we have shown, the fiction of the Czechoslovak nation was the root of those errors, it can be hoped that the abandonment of the pretence by Dr. Benes will inaugurate a new attitude towards the other races in the Danubian basin.

I am not going to read all the numerous extracts I have from the same periodical. It was published in New York; I have read it for the past eight months, and I had noted some of these statements. Again and again it came to the defence of Mussolini and of the fascists of Italy. I believe that this country should open its doors to refugees who have suffered from oppression on the continent of Europe, but if they do come we should expect them to play the game with our allies, and particularly with Czechoslovakia.

Mr. TURGEON: What is the date of that issue?

Mr. COLDWELL: May, 1942. The article is found on page 3, entitled "A Fiction Abandoned."

The second article I want to refer to in this same issue is entitled "A Grievous Failure." It refers throughout sarcastically to the man who to-day is the deputy prime minister of Great Britain, a great figure in the cause of the united nations. It pokes fun at his idealism. No man in the English-speaking world is imbued with a greater sense of Christian idealism than Sir Stafford Cripps. Under the defence of Canada regulations we have the right to look into statements of this kind. I do not know why the writer left New York. Perhaps there were objections to articles of the kind appearing in this magazine in the United States—

Mr. HANSON (York-Sunbury): What is the name of the author?

Mr. COLDWELL: Doctor Franz Klein. Incidentally he is still of enemy nationality. It seems a strange thing to me that we allow people of enemy nationality to come into this country and to write sarcastically of men responsible for the conduct of the cause of the united nations and to stir up strife among people of our allies in our own country. When I was in western Canada a short time ago I learnt that Czechs took exception to the kind of thing that was being published in this periodical, although I did not realize that it was now being published in Canada. I do not know upon what grounds we can keep our own citizens in concentration camps, and refugee friends of our cause who were picked up and sent to this country from England at the time of Dunkirk, who have been given a clean bill of health by the British authorities after investigation of their cases, and yet allow people to come in freely and stir up strife in our country by publishing their objectionable ideas in papers issued in Ottawa. There is something wrong about that.

Let me refer to another case of the same sort, that of Otto Strasser. He lives in Montreal. He is still a nazi, as nazi as Otto Strasser ever was. He helped found the nazi party—

An hon. MEMBER: Along with his brother.

Mr. COLDWELL: Yes, his brother was liquidated by Hitler, and he hates Hitler because he was unable to undermine Hitler. He comes to this country, lives here and freely writes articles in newspapers; yet on the very flimsiest evidence our own people and friendly refugees are detained in internment camps. I do not know how many of the latter have been liberated and sent back to England in the last eighteen months, but I know that hundreds who were in civilian internment camps here were taken back and are now working in munitions factories and even serving in the armed forces.

And we may have still in these internment camps men who have been given a clean bill of health by the British investigators. I want to bring this to the attention of the house on this occasion, and to the attention of the committee particularly; for while we ought, regardless of race, religion or nationality, to give refuge to those who suffer from oppression and persecution, yet I think that when such people come to this country they should at least refrain from sarcastic references to or criticism of the great leaders of the united nations; nor should they be allowed to stir up nationalistic animosities in this country.

I am not going to say anything in detail at this time about the defence of Canada regulations. They and the operations under them will be looked into by the committee. I think the time has come, however, when the members of the committee ought to go thoroughly into certain cases of people interned, and the committee ought to insist on being given access to the files in order that they may come to a proper conclusion regarding these cases. The attitude has always been taken that the committee was not permitted to view these files. I think that in some instances the files should be examined by the committee. I am not on the committee this year, so that perhaps I can say that quite freely. The committee should look into certain cases which have been reviewed, turned down, reviewed and turned down again.

I welcome the establishment of the committee. I think it is wise that at each session

during the war such a committee should be set up to carry on the work for which the committee is designed.

Mr. J. H. BLACKMORE (Lethbridge): It is pleasing to us to see that this committee is again going to be set up. We believe that since the committee last sat there have been changes in the defence of Canada regulations and in the interpretations placed upon those regulations and in the status of a great many people and organizations and periodicals which have been dealt with under those regulations. It seems to me that this committee should review with the most searching and objective care the whole question of organizations which we have declared illegal in Canada, and of the periodicals which we have banned both within and without Canada, and of the people whom we have consigned to internment camps on the basis of the defence of Canada regulations.

I am more than a little concerned and perturbed by reports which reach me from time to time. I am anxious lest we do a grave injustice to a number of people in Canada, and lest we thereby impair our war effort. Certain it is that when men have been punished for offences which to their fellows appear negligible, all those who know such people continue to be aggrieved and unhappy; and there spreads from those people an influence of deterioration in the morale of the country. This is not in the interests of Canada's maximum war effort.

I therefore welcome the appointment of the committee, and would urge that it study with the greatest care every aspect of the defence of Canada regulations, and their application to organizations in Canada, to periodicals which have been and are published in Canada, and to individuals who to-day are in our internment camps.

Mr. A. W. ROEBUCK (Trinity): Mr. Speaker, in the first place let me welcome to the heavy task of administering the defence of Canada regulations our new Minister of Justice (Mr. St. Laurent). I have had something to do with internees, and with those who have been asking for a more liberal and, I think, a stricter administration of the regulations—stricter from the point of view of British justice. I have been impressed by the serious way in which the new minister has devoted himself to the difficult problems involved. I am sure I do not envy him his task. The whole subject is one of grave concern not only to himself and myself, but to all those who have some knowledge of British justice and procedure, and who are determined that we shall not establish in Canada the gestapo methods of Europe, that we shall be just and kind but at the same time shall protect Canada against anticipated acts of sabotage and treason.

The subject is full of great difficulty, because the principles applied to the administration of criminal law are not applicable here. A man is interned under the defence of Canada regulations as a preventive rather than a punitive measure. The intention is not that of punishing an individual for something he has done; it is to prevent his doing that which it is anticipated he will or even may do, contrary to the best interests of the state. And so the general principles of trial, including the reading of a charge and the hearing of evidence, do not quite apply. Those who have been calling for open trials of men charged under the regulations probably have not thought through the real problem before us. It has occurred to me at times that were some of the objectors placed in positions of responsibility and informed that some person might do something contrary to the interest of the state, they would, perhaps, take a different attitude. It is not likely that they would wait until some alien enemy had blown up a factory before taking action to restrain him. It is more likely that even the most radical critic of the regulations would restrain the offender before the act was committed, rather than charge him with the offence after the damage had been accomplished.

Yet, while this is so, I have never been entirely satisfied either with the regulations or with their administration. I think section 21 is far too general and sweeping. I should like to see the committee apply itself to defining the offences, if offences they are, under which a man may be interned. It may be a difficult task, but it is not an impossible one. It seems to me there should be greater particularity as to the grounds upon which internment may be ordered. The general principles upon which those in authority act can be set out with a great deal of clearness, and the committee should work to that end.

It seems to me that a man should never be interned for something for which he may be charged. Someone who has used foolish language in a bar room debate, or something of that kind, as sometimes happens, should not be picked up by the police and just spirited away. He has committed an offence and should be tried in open court. There have been occasions when, confronted with those two courses of action, the department has chosen internment rather than trial; and I suggest to the department it would be far better to put a man on trial when trial is possible. The evidence should be brought out in public and

the public satisfied as to the justice of the decision; and the man should be put away in gaol rather than placed in an internment camp.

I believe too the public has been disturbed on one or two occasions when trial has been resorted to, a conviction has not been secured and immediately following acquittal a man has been picked up and interned.

The great difficulty with internment is the mystery surrounding the procedure, the lack of publicity allowed, and the fact that no one knows with any degree of certainty the grounds upon which a man has been deprived of his liberty. He is picked up silently, spirited away, and that is the last of him. One may write the department and learn that the case has been reviewed but that for the moment the authorities do not think it necessary to give any further information. That is the substance of what one is told.

It may be difficult indeed to say why some men who have been interned quite properly have been so interned. Nevertheless the secrecy surrounding the administration of the regulation is not in the public interest when it can possibly be avoided. Where possible in my opinion statements should be made and given publicity, explaining why certain men are placed behind barbed wire and kept there. It is most important that the public mind be not disturbed in this connection, and that there be not spread among ordinary people suspicions of injustice or the presence of ulterior motives.

I think that our administration could be improved. At the present moment the Minister of Justice retains the last say. Perhaps that is necessary, but if it is, it is necessary only in a few cases. The tribunals have been too few; they have been overworked. I have thought that they should be manned by the highest judicial officers whom we can find in the Dominion of Canada, men who bear the highest reputation and who carry the confidence of the people of Canada in the highest degree. The tribunals cannot act entirely in public; they must act at least in part in secret. The reasons for their decisions cannot always be explained and published, and the citizens of Canada are expected to accept their decisions and to rely upon their good faith.

So I say that our tribunals should be increased in number, and I believe that recently more men have been acting on the tribunals. I urge upon the department that every precaution be taken to secure for these tribunals men of the highest possible reputation. Having done this, I think it would be in the interests of the department, certainly to the comfort of the minister and the peace of mind of those, who like myself, are concerned, and to the general confidence of the people of Canada, if decisions of the tribunals were taken as final, except in extraordinary cases where reasons can be given for the minister refusing to accept the recommendations of the tribunals.

It is not good enough to say that some evidence must be secret. I should think that a judge can be counted upon to keep secrets of state just as well as a policeman. Reasons of state which should influence the results of a hearing can be communicated to a judge just as safely as they can be communicated to a minister of the crown. I have no doubt that in both cases the secrecy would be respected. Therefore I should like to see done the things I have enumerated: provide stronger tribunals; provide more tribunals; place greater confidence in the tribunals; and have the decisions of the tribunals made final.

I should like to see this committee inquire into a number of key cases, such as the hon. member for Rosetown-Biggar has suggested. They could be picked out by chance, and then the committee could make a report on them to this house. I have been interested in a number of cases, but I have never been able to get to the bottom of them because I could not get all the evidence. But this committee should be able to get the evidence. If its authority is not now sufficient, I suggest to the committee that they ask for added authority and that they apply their minds to a number of cases, particularly where it is suggested that ulterior motives have influenced the action taken by the police or the department.

It has been stated that men have been picked up because they were bootleggers. If a man is a bootlegger, if he has defied the laws of the country, we do not have the same confidence in him as we would had he a good reputation. If a good reputation stands a man in good stead in time of trouble, then a bad reputation is likely to stand him in bad stead. When you find that a man with a bad reputation has been picked up and you do not know all the facts, you are likely to attribute his incarceration to his bad reputation, and that may be unjust to the department.

I have known of cases where the police, after failing to get convictions, have succeeded in imprisoning men under these regulations. I would like to see the committee make a few inquiries as to whether such suspicions are justified or unjustified. I would like to see the department relieve itself of responsibility in individual cases. The imprisoning of men is not properly a ministerial responsibility; it is a judicial responsibility. I do not see why ministers of justice want to keep these deci-

sions in their own hands; they should get rid of them. Keep supervision, if you like; but ministers should rid themselves of the task of making the individual decisions. Let that be done by the tribunals. I cannot see any real reason, either in the practical administration of the act or because of principles of justice, for making any great difference between an alien enemy and a naturalized or native Canadian citizen. At the present time, those who are citizens may have their cases reviewed by the tribunals, but those who have not achieved British citizenship have no right to go beyond the decision of the police as confirmed by the department. A non-citizen may have lived in this country for many years; he may have acted as a citizen for years, but when he is picked up under this act by the police he has no appeal. The only thing he can do is to argue with some officer in the department, who usually refers him to the mounted police.

I know that you can find a grave distinction between a British subject and a non-British citizen, particularly if the latter is an alien enemy; technically, an alien enemy has no rights in this country, but that is not so morally. Such a man is a human being; he may have a wife and children; he may have behind him a long record of good citizenship. I do not see any reason for making this marked distinction, which is purely technical, between a man who has achieved nationality and a man who has not. I can see no reason why an alien enemy should not be treated as we would treat him in the courts. We make no distinction there; in theory every man is innocent until he is proven guilty. We should be ashamed to draw a distinction in the courts between a British subject and a foreigner living in this country. I should like to see the committee study this feature and see if it is not possible to give to the non-citizen the same rights of appeal, the same review of evidence and the same impartial decision by judicial officers that is given to our own citizens.

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, in the first place I desire to congratulate my good friend the hon. member for Trinity (Mr. Roebuck) upon the judicious remarks that he has made. He speaks from a lengthy experience at the bar, as former attorney general for his province, and with a particular knowledge of his subject, and therefore what he has said must be considered in due course.

The aim of the defence regulations is evidently to prevent subversive propaganda during the war. It is essential that order be maintained within this country in these difficult times. But the fact that we are at war does not change in the slightest degree the principle of law that a man shall be considered innocent until he is found guilty, and therefore a man must not be considered an unworthy Canadian citizen simply because he has a name that is difficult to pronounce. People of various racial origins have come to this country to make Canada their own country. It is their country of choice, and at heart they are good Canadians. There is more broad-mindedness in the United States than in Canada with regard to such people. Anyone who looks at the names of the advisers to the President of the United States must realize that at Washington the racial origin of a man makes no difference whatever provided he proves to be a worthy citizen of the United States.

Now I want to say a word on behalf of the hon. leader of the opposition (Mr. Hanson), in his defence, strange as it may seem. About a year ago the hon. gentleman mentioned a very ordinary fact, a fact known to all of us, that there were young men from other dominions training in Canada under the empire air training scheme. To mention that was not a sin; it was not even a misdemeanour. But as it happened, there was an order or an instruction prohibiting the mentioning of that fact. This order or instruction had been issued by the information bureau or the censor's office in the regulations that it sends out to the newspapers, and as the hon. gentleman had infringed one of those regulations—

Mr. HANSON (York-Sunbury): Had what?

Mr. POULIOT: I will not say infringed. I will just say that he mentioned that fact. I do not blame him for doing so. I am speaking in his defence; my hon. friend will see how it ends. I will start again to make myself clear. The information bureau or the censor's office sends regulations or instructions to all the newspapers of Canada. They are numbered, 1, 2, 3, 4, and so on; and regulation or instruction No. 64, if my memory serves me—it might have been 62, 63, 64, or 65—was to the effect that no one must say anything in public about the personnel of the empire air training scheme.

Mr. HANSON (York-Sunbury): I rise to a question of privilege, Mr. Speaker. No such directive was ever issued that no newspaper should give currency to such a report. I deny that either directly or indirectly did I at any time receive from any source anywhere any directive from the censor or anybody else in authority in this country with reference to that matter.

Mr. POULIOT: I thank the hon. gentleman for what he has said, because it gives

more weight to my argument. Of course, I did not say that the order or instruction was sent to him. They are sent to every newspaper in the country, and there was certainly an order of the kind. The hon. gentleman simply said something that might have been said by anybody in the country without offence to anybody and without injury to anybody or to the progress of the war. But just because he said that, it was stated by a minister of the crown that Hitler was the leader of the opposition's latest recruit. I repeated that myself, and I confess I did wrong to say a thing like that about the hon. gentleman because he simply mentioned a fact that was known to all of us, and by so doing, of course, he was not recruiting Hitler into the Tory party. Nobody can now be blamed for doing the same thing the hon. gentleman did because this particular order was afterwards cancelled. So that there is no guilt about it. But my conclusion is this, that we must not lack a sense of proportion in our interpretation of the defence regulations.

I regret that the hon. member for Rosetown-Biggar (Mr. Coldwell) is leaving the chamber because I was just going to say something about him. I think he completely lacked a sense of proportion when he suggested that we should worship a man like Sir Stafford Cripps. I do not think he is worse than anyone else; but why should anyone worship anyone else in this world? Such an attitude prevents criticism. I would tell the hon. member for Rosetown-Biggar that the brightest lady journalist of America, a lady whose pen is much sharper than that of Dorothy Thompson, Miss Judith Robinson, has expressed her views about Sir Stafford Cripps in all fairness, and she pokes a little bit of fun at him. That is no offence, any more than it was an offence for the leader of the opposition to say what he did about the empire air training scheme. Miss Judith Robinson wrote in the *News* of Toronto, of March 14:

> Enthusiasts for change-any-place-but-Ottawa are doing a lot to drown Sir Stafford Cripps' real virtues in pails of gush over attributes he hasn't and never has had. The new leader of the British House of Commons is not a "winning personality." He has a face like a stage undertaker's and a manner like a high church curate's. He is not a great speaker. He is repetitive and addicted to second-hand phrases. He is not, despite a snob-souled local press's blurbs, "an aristocrat." He is the son of a wealthy man whose father made money in shipping.
>
> Sir Stafford would be frank to admit that no English business men ever pursued profit further from the aristocratic ideal of noblesse oblige, or from ordinary human compassion for that matter, than did the big shipmasters of the nineteenth century.

[Mr. Pouliot.]

He would admit it because honesty is a virtue he possesses in his own right, not his ancestors'. He has other virtues that should prove useful to England at this hour; an unswerving purpose, a logical mind, cold judgment and a great lack of pity for incompetents, however well-paid and influential. Canadian sentimentalists who have been cooing—

That is fine.

—over Sir Stafford "the labour aristocrat", might spend their time better trying to guess whose fault it is that Ottawa is as short of Crippses as it is short of Churchills.

Mr. COLDWELL: Will the hon. gentleman permit a question? Does he not think there is a difference between poking fun at ourselves, or having a member of the family poke fun at us, and having a guest poke fun at us?

Mr. POULIOT: I am a little hard of hearing. If my hon. friend will repeat what he said I shall be thankful to him.

Mr. COLDWELL: I ask my hon. friend if he did not think there was a difference between having a member of our own family poke fun at another member of the family and having an uninvited guest poke fun at a member of the family? I think there is a big difference there.

Mr. POULIOT: It is not a matter of guests; it is a matter of judgment on a man who plays an important role in politics at the present time. But because a politician is not a member of our House of Commons does not mean that we have not a right to pass judgment on his qualifications. Besides that, I wonder what has happened to the hon. member for Rosetown-Biggar; for a certain time he has been burning incense under the noses of people who are too far away to smell the perfume.

Mr. COLDWELL: That is very good.

Mr. POULIOT: Speaking of perfume, I hold in my hand that reputable paper, the New York *Times*, Monday, October 27, 1941. It is a good paper and full of information. Here, on page 3, I see an item which has passed both the British and United States censors and has reached the newsroom of the *Times* and its readers:

> London, Oct. 26 (U.P.)—Viscount Halifax, British Ambassador to the United States, came in to-day for another drubbing for a recent speech in which he said that Britain was in no position to invade the continent.
>
> "His very name stinks in my nostrils," Robert Gegood, former chairman of the Northern Ireland Labour party, said at a conference in Belfast. He spoke in support of a resolution demanding Lord Halifax's resignation.

That is from London. It is too bad that the perfume of the incense was not effective

on that occasion. But we can gather a great lesson; it is that as a rule people attach no more importance than they should to things like that—mere expressions of opinion about a man. No one shall suffer in his person because he says what he thinks of anybody except the royal family, for whom we all have great respect. We have, and we must have, freedom of opinion and freedom of speech. This, we are told, is what we are fighting for. We are fighting for democracy, we are fighting for free speech. I recall that an eminent member of the Cooperative Commonwealth Federation group used to advocate freedom of speech and claim the right to it, but it was freedom of speech for himself, not for others. My conception of freedom of speech is that which I expressed once in this chamber when the hon. member for Parkdale (Mr. Bruce) was speaking and was interrupted by the chairman of the committee of the whole. I said that my idea of liberalism, my idea of liberty and of democracy was that he should say all he had to say provided that I had the right to answer him and say afterwards all I had to say. That is true freedom of speech. Freedom of speech cannot be onesided, we must have it on both sides. Moreover, there is nothing so constructive as good criticism. Nobody here pretends that he is infallible. Last week the Minister of National Defence (Mr. Ralston) admitted that he did not pretend that everything in his department was perfect. That was a common sense admission, and I laud the minister for it. Therefore, if all is not perfect, if there is room for improvement, freedom of criticism is necessary. But the distinction must be made, first, as to the intent of the one who expresses his views, and secondly, regarding the effect of what is said. Those two considerations must be weighed before judgment is reached in the case of any individual. Well, now, when we are fighting for the liberty of all of us, it is essential that the moves of any in this country who would prevent such an aim shall be stopped. That, I concede, is in the public interest. But it would not be in the public interest to make no distinction between what would be helpful and what would be harmful.

In conclusion, may I say that there should be, particularly in time of war, the widest freedom of speech, at least in this house. We should follow the really great parliamentary traditions of Westminster, where members of parliament and members of the House of Lords are not afraid to express themselves freely for the benefit of the community. The defence regulations have a particular purpose, namely to set rules regarding the press of this country. Might I remind the house why the press was so influential in days gone by? It was so because especially in London at first, and then in France and in other countries, people who had no time to study political matters at length relied on the free expression of views of a man who was seeing things objectively, without prejudice or partisanship. That was the success of the London *Times*, and in those days newspapers were not as big as they are to-day. They were not controlled by people who paid high rates for advertising in their columns. The man in the street, the common citizen, relied on the editor for an objective and honest expression of views and objective comments on the situation of the day. It would be very useful if the same thing were done now and if the newspapers went back to the files of the London *Times* and even of the Canadian newspapers of forty and fifty years ago to find a model for the editorial page of to-day.

Mr. H. C. GREEN (Vancouver South): There is one feature of this motion which should be explained to the house by the minister, and that is that the powers being given to the committee have been restricted this year as compared with the powers given to the committee of last year. Hon. members will find the motion appointing last year's committee in the *Votes and Proceedings* for February 20, 1941. That motion provided that the committee to be appointed should consider and review the defence of Canada regulations (consolidation) 1940 and amendments thereto and—this is the part that has been cut out this year—the law relating to naturalization, and to review as well the law relating to deportation. The report of the committee will be found in the *Votes and Proceedings* of June 4. That part which dealt with naturalization and deportation reads:

> Your committee has received some evidence and has investigated these two important subjects in part only and, notwithstanding the fact that your committee has held a great many meetings, including on occasions two meetings a day, the limited time at our command has made it impossible to devote the time to these subjects which they require in order to enable a proper report to be made to the house.
>
> Your committee therefore respectfully begs to recommend that at the next session of the house the law relating to naturalization and deportation and matters incidental thereto be the subject matter of a reference to a committee of the house.

A similar recommendation was made by the committee which sat in 1940, so that for two successive years we have had a recommendation from the defence of Canada regulations committee that naturalization and deportation be considered; yet we find that, in the notice of motion which is before us to-day, the power to consider these subjects is not

included. It may very well be that the government plans to set up another committee, and if that is so I have no objection to the wording of the present motion. On the other hand, it may be that the government is dropping these two questions, and that I think would be a great mistake, because at this time particularly they are of the greatest importance to the nation, and should be most carefully considered either by the committee which is being set up now or by another special committee. And they should be considered at this session of the house. I would ask the minister therefore to explain just what the government intends to do with regard to these subjects, and I would urge him most earnestly either to amend this notice of motion so as to give this committee power to consider these two subjects, as well as the defence of Canada regulations, or to recommend to the ministry that they set up a committee to deal with these two subjects alone.

Mr. A. G. SLAGHT (Parry Sound): I desire to ally myself with the suggestion by the hon. member for Vancouver South (Mr. Green), that if the setting up of another committee to deal with the two topics of naturalization and deportation is not contemplated, the minister might consider amending this resolution so as to include that power in the present committee.

I want to join with the leader of the opposition (Mr. Hanson) and the leader of the Cooperative Commonwealth Federation (Mr. Coldwell) who both recorded the fact that the work of this committee last year—and I think they would include the previous years—has proceeded in a splendid and non-partisan spirit; and without detracting at all from the work of each and every member, because they were all wholesomely engaged in the public interest, I think perhaps the member for Rosetown-Biggar (Mr. Coldwell), and the member for Vancouver South contributed in very large measure to the happy condition under which the work of that committee proceeded.

As a member of that committee I do not want to intrude on the house at this stage any views with regard to what the committee should do. Things change so fast in these days that I believe we should bide our time and hear, as we always do, what is to be said with regard to conditions as they exist at the time the committee is sitting. I do want to pay a tribute to the work done by the late minister of justice in administering the most difficult and embarrassing duties that fell upon him while he presided over that department. The late minister, when war broke in September, 1939, was plunged into a series of duties entirely new to his office. He had literally hundreds upon hundreds of cases to review because of the fact that alien enemies of German descent were picked up by our mounted police in hundreds all across Canada. Later, when war broke with Italy on June 10, and in the following year, he was again faced with an overwhelming task because of the Italian racial origin enemy aliens who were again picked up in twenty-four and forty-eight hours all across Canada. He did not have the protection that amendments made at the suggestion of this committee had brought into being, and which exist at the present moment. While of course mistakes may have been made—and who could administer that serious duty without finding errors creeping in?—Canada is deeply indebted to the late minister of justice, the Right Hon. Ernest Lapointe, who did not spare himself in the administration of that difficult and disagreeable but most important task.

Having said this may I pay a much deserved tribute to the present Minister of Justice (Mr. St. Laurent) who finds on his shoulders this tremendous burden. I believe in the short time he has been charged with this duty he has brought to bear all the high qualities which he was expected to display in his very important office. And none the less are the people of Canada indebted to the present minister for the very splendid manner in which he has performed this duty.

Without attempting to make a case one way or the other may I warn the house not to be too expectant that the results of the deliberations of this committee this year will bring about some of the changes suggested in the utmost good faith by the hon. member for Trinity (Mr. Roebuck). As I understand, he wants to see the Minister of Justice freed from the burden of making individual decisions. If we should make that change we should entirely reverse the principle involved both in the defence of the realm regulations that have prevailed in Britain since the war broke out and in the defence of Canada regulations. The hon. member for Trinity also suggested that men should never be interned for something with which they might be charged in the criminal courts. I suggest to him that again there may be disappointment. The reason the defence of Canada regulations ignore the ordinary precepts observed in the administration of the criminal law in peace time is that they are brought into being because we are at war, and because we cannot afford to wait until a man has performed a criminal act, thereby furnishing the evidence upon which he can be convicted in a court of

justice. The whole scheme both of the British and of the Canadian regulations is to prevent a man of evil character and evil record, once you fix him with those qualities, from being at large so that it is possible for him to blow up the Welland canal or the Revelstoke tunnel in war time. That is the spirit of the regulation, and that is why we must ask forbearance and understanding from people if the committee this year should see fit to continue that principle rather than do away with it.

I think it is proper at this stage to point out why we should not abandon either of those principles. In this war both Britain and Canada have been singularly free from any serious acts of sabotage crippling our war effort. The hon. member for Rosetown-Biggar (Mr. Coldwell) and myself, with some of our colleagues, a few months ago had the privilege of discussing this subject with Mr. Herbert Morrison, the British Secretary of State, who under the British Defence of the Realm Act administers the duties that here we place upon the Minister of Justice. I regret for this reason, if for no other, that the hon. member for Rosetown-Biggar is not to be on the committee this year. Mr. Morrison in a very few minutes gave us his view as to why during war time it was necessary and desirable to continue to vest in one man the power of final decision, rather than to leave it to be determined by a trial in the courts, as to whether a man was so dangerous that he ought to be interned. Mr. Morrison told us that he wished he had never had to perform that duty, that practically every week somebody in the press or from the public platform attacked him viciously and personally in respect to what was contended to be a case of injustice. But while regretting that he was charged with the duty, he made it very clear to us that he thought the success of the police in preventing all acts of sabotage or destruction in Britain was due largely to the defence of the realm regulations just in the form in which they stood. Hon. members will recall that there has been no single case of sabotage of any consequence in Canada, after nearly three years of war, and that these regulations have been in effect practically from the first week of the war. Hon. members will not forget that in the last war, when we had no such highly organized internal secret service force as the mounted police were at the beginning of this war, in the first year very serious acts of sabotage were attempted, and some carried out—all engineered with the help of German money from New York; for instance, the attempt to blow up the Vanceboro bridge; to blow up the Welland canal; the attempt—which succeeded—to blow up the overall factory at Walkerville; the attempt to blow up the Windsor armouries, to blow up the Revelstoke tunnel. All these were attempts which nearly succeeded, whereas under our present system the defence of Canada regulations and the alertness of the splendid force under the Minister of Justice have saved us from any of these possible disasters in the conduct of this war.

I have spoken for longer than I had intended. I believe that as things change so fast we could well spend some time on the problem of the banning of the communist party. In approaching that subject the house may feel that the committee should bear in mind that the communist party as such and our ally Russia are not just one and the same thing. There is a fallacious belief that such is the fact, but it is not.

The hon. member for Témiscouata (Mr. Pouliot) said that in the administration of these regulations we must never abandon the principle that a man is presumed to be innocent until he is proven guilty. I am afraid my hon. friend has never studied the regulations. Both the British regulations and ours do not recognize that well-established principle of British law which is observed in the administration of the criminal courts. Instead we go upon the theory that with responsible officials and a minister of high standing charged with the duty, a man who has not been proven guilty before any court may be and ought to be put behind the palisades before he gets a chance to do a wrong the consequences of which may be irreparable and may go to the very root of the success of the country in winning the war

Mr. J. R. MacNICOL (Davenport): Mr. Speaker, since there is in my constituency in Toronto a very considerable Italian community, and since I have known some of those people for the last twenty-five years I should like to say a word or two with respect to the committee now to be set up. Perhaps I ought not to say anything, because this may be a matter upon which lawyers are more able to pass judgment than would be a layman. But since Italy entered the war to fight against us I have seen a great deal of distress in my part of the city. I do not know whether any of the acts committed against the Italian citizens have been deserved, but I am sure that quite a number have suffered through no fault of their own.

In the last war the Italian community in Toronto sent a considerable number of soldiers overseas to fight alongside Canadian soldiers. Many of those Italians came back

badly wounded; quite a number were killed in action, and to-day many of them belong to that branch of the legion which operates in my end of the city. I believe, however, that some of those citizens have suffered rather unfairly during the present war. A case I have in mind, which I shall outline to the house, is one of a class which I should hope some of the regulations might cover. If so, I should wish that such regulations might be reviewed by the committee.

The young man I have in mind is now thirty to thirty-five years of age. At the time of the great war he was a lad of only four or five years. His father had been a United States citizen before the great war, but shortly before the outbreak of that war he came to Canada bringing his young children with him. They have lived in Toronto ever since as good, law-abiding citizens. Shortly after Italy entered this war the young man in question, in company with a number of others, was at once set upon by, I presume, the police. This one in particular consulted a solicitor in down-town Toronto to find out if he must submit to attacks by the police. He had been told by them that he was not a British citizen. The fact is that he was born in the United States.

Following his seeing a solicitor he came to see me, and as a result of his visit I wrote the Department of Justice, setting out full particulars. I did not ask for redress, stating in my letter nothing but the bare facts. The department replied with a very friendly letter stating that since the boy's father was a naturalized British citizen who had come here prior to the great war, the children were British citizens too and exempt from police check, so long as they were law-abiding citizens. I sent that letter to the young man. Following that, it is said that his solicitor sent him a bill for $175. That solicitor had done no more than I had.

Mr. ROEBUCK: He could have the solicitor's bill taxed.

An hon. MEMBER: What did you charge?

Mr. MacNICOL: I do things free; I do not charge anything for anything I do.

I do not believe any person of non-English origin should be subjected to such treatment simply because he is not of British origin.

Mr. ROEBUCK: I think my hon. friend misunderstood my interruption. I pointed out that the person in question could have the solicitor's bill taxed if it is too high.

An hon. MEMBER: Meaning what?

Mr. ROEBUCK: "Meaning what?" an hon. member to my right asks. We have an office connected with the courts of Ontario whose duty it is to review solicitors' bills. If my hon. friend would submit that bill to the taxing officer, the right amount would be substituted.

Mr. MacNICOL: I shall send a copy of to-day's *Hansard* to the gentleman in question, and he may take the bill and *Hansard* to the taxing officer to see if he can get redress. After Italy went into the war Italians in Toronto were generally more or less—I will not say persecuted, but many of them were.

Mr. ROEBUCK: "Persecuted" is right.

Mr. MacNICOL: I suppose they preferred to grin and bear anything inflicted upon them rather than protest, and I believe that was the condition in this instance.

Quite a number of Italians in my constituency have enlisted and have gone overseas to serve in the present war. I have in mind the father of a family of six or eight children, two of whom are in the army. That father, however, has been picked up and placed in an internment camp. I have not written the Minister of Justice about him, because I do not know whether a layman may properly report matters of that kind. The fact is, however, that the father has been interned for some time. On a number of occasions his wife has been to see me, and I have seen her hair change from jet black to gray, from worrying about her husband, the head of the house, who has been placed in the internment camp.

If internment regulations are to be reviewed I should hope that some regulations might be made whereby a man might have an opportunity to present his case before a legal tribunal. I do not know anything about law or courts; I am not a lawyer. But under present regulations such people do not appear to have a chance. The man I have in mind has been in the camp ever since Italy entered the war, despite the fact that he has two sons in the army. So far as I know the family has always been loyal, and I should hope that regulations affecting such people might be applied with a certain amount of sympathy and British fair play.

Certainly I would be opposed to the release of anyone who should be interned. I agree with the hon. member for Parry Sound (Mr. Slaght) when he said in effect that an ounce of prevention is better than a pound of cure. If any person of any non-British nationality is known to be a person of dangerous proclivities, then I say that such person is better in a camp than out of it. But with respect to the ordinary humble citizen who could not under any circumstances be considered dangerous, and particularly a citizen who has been here

for thirty or forty years, I say that such person ought not to suffer unnecessarily. On the other hand, for those who are guilty I have no sympathy.

Mr. T. C. DOUGLAS (Weyburn): Mr. Speaker, the hon. member for Rosetown-Biggar (Mr. Coldwell) has already covered most of the representations hon. members in this group wish to make, and I do not purpose repeating what he has said. I rise merely to endorse his observations.

There is, however, one organization I would refer to the special committee, if it is going to consider questions affecting organizations which have been declared illegal. I refer to the organization generally known as Jehovah's Witnesses. I believe I have discussed this matter before in the last two years. No satisfactory statement has thus far come from the treasury benches as to why the organization has been declared illegal. I do not know how many of those responsible for the administration of the regulations have read the literature of the organization. In those years when I had more time for diversified reading I read many of the books published by the organization, as well as those published by other sects. While I disagree most heartily with their point of view, not only on religious matters but also on social matters, I have never been able to satisfy myself that any of the doctrines which they preach are of such a nature as to be subversive of Canada's war effort.

Mr. MARTIN: It discourages them.

Mr. DOUGLAS (Weyburn): My hon. friend says that it discourages them. At the present time there is one sect which is preaching that before this war is over we shall be joined with Hitler in a war against the U.S.S.R. I do not agree with them, and I do not suppose that the hon. member for Essex East (Mr. Martin) agrees with them, but there is no talk about banning that organization. That would be absurd. There is a religious organization in Canada which is opposed to the bearing of arms, and which teaches that belief. That is not particularly encouraging to our war effort, but no one in this house would suggest that an organization like that should be banned. It is most difficult to define what is meant by discouraging the war effort. It is different to say that a certain point of view discourages the war effort from saying that a certain doctrine is subversive of the war effort.

For the last two or three years I have made up a file from clippings from newspapers in Canada giving accounts of arrests of and fines imposed against various people connected with this so-called Jehovah's Witnesses organization, and this file has grown at an alarming rate. I quote one from Campbellton, New Brunswick, as follows:

> Two Montreal women, Mrs. Francis Bower and Mrs. Loretta Appleby, were found guilty of a breach of the defence of Canada regulations by Sitting Magistrate J. N. Bugold in police court to-day. He ordered that the two accused each pay a fine of $300 and costs, or in default of payment that they serve a term of six months in jail. The two took the jail terms.

There was a case in my own community where a business man was charged on two counts, one that he was a member of an illegal organization known as Jehovah's Witnesses—there was no proof of that except that he had been associated with them some time before, but he contended that he had had no contact with them since—and, second, that he had said in conversation that in his opinion Canada was not a Christian country, but a country with Christian people in it. I have heard that statement made from scores of pulpits of different Protestant denominations. It is merely expressing a difference in point of view as to what is meant by a Christian country. This man was fined, I think $200. Fortunately he was able to pay it and did not have to take the gaol sentence. That sort of thing encourages the kind of people who like to run around telling tales or reporting to the police that they had heard in conversation that some one else had heard some one else say such a thing. In this particular case they had the evidence of only one woman, but that was considered sufficient to substantiate a charge being made against a responsible citizen of Canada. That is not good for the morale of this country. We should not do anything that will encourage tale-bearing and informing.

I have under my hand a piece of literature published by that organization entitled "Consolation, a Journal of Fact, Hope and Courage." This is published in Brooklyn, New York, but it is banned in Canada under the defence of Canada regulations. I am told that this is allowed to circulate in Great Britain, Australia and the United States. I do not know why it is banned here. I have read it through, and while I do not agree with ninety-nine per cent of what it says, I cannot understand why it has been banned. It is most intolerant of other religious groups, and it refers in the most virulent terms to the profession to which I belong. I have no reason to hold any brief for the points of view expressed in a periodical of this sort, but I cannot find anything in it that I can conscientiously say is subversive of Canada's war effort. The fact that it is intolerant, the

fact that it finds fault with people who hold views different from the views expressed therein, is not sufficient to warrant its being banned in Canada or to warrant the people who publish it being subject to a fine or imprisonment.

We are following a serious tack when we allow this sort of thing to go on. We are going to make martyrs out of certain groups of people. There are people who want nothing so much as to be made martyrs. What is being done is to drive them underground, give some of them the halo of martyrdom and permit many of them to protest that they are suffering for their faith and are being persecuted by those who belong to other religious organizations and other churches in Canada. I urge upon the committee and upon the minister that if they are going to examine the question of illegal organizations, we ought to have a more satisfactory and more comprehensive statement as to why this organization has been banned than we have had up to now.

It has almost become platitudinous to refer to President Roosevelt's four freedoms. We keep on telling the people in the democratic countries that we are fighting for the four freedoms, one of which is the freedom to worship God in the manner in which we choose. It seems to me that it is going to be increasingly difficult to convince the world that we are seeking to get religious freedom for the people of Europe when we deny it to the people of Canada. This itself, in its own way, is an encroachment upon religious freedom. Whether we agree or disagree—I imagine that the great majority of us disagree —with the points of view expressed by that religious sect, I think we do ourselves an injustice and our cause an injustice by continuing to declare them an illegal organization when there is no specific evidence to prove that their efforts and their beliefs are subversive of Canada's war effort.

Mr. PAUL MARTIN (Essex East): Mr. Speaker, the subject under discussion has been considered most thoroughly, but because of the reference made by the leader of the Cooperative Commonwealth Federation (Mr. Coldwell) to one or two matters, I feel that as a member of this committee I should say something at this time. I fully support the plea made by the hon. member for Vancouver South (Mr. Green) that consideration should be given to the naturalization laws of Canada and the method by which new citizens are admitted to Canadian nationality. There is great need to consider this matter, either through the agency of this particular committee or through a special committee which may be set up. The naturalization laws of Canada are in a most deplorable state. I refer not only to the methods by which citizens are naturalized, but to the laws themselves. They present a most ridiculous situation.

We have a situation where people in our country are, to use a technical phrase, "heimathlos"—"without a home"—who have no nationality at all or who have a nationality in one part of the commonwealth, and although residing in Canada have no nationality whatsoever according to the laws of Canada. This situation should be remedied at the earliest possible moment.

There is another matter I should like to impress upon the Minister of Justice (Mr. St. Laurent). In this connection he has given indications of dispatch. I agree with what the hon. member for Parry Sound (Mr. Slaght) has said, that when a nation is at war one cannot stop to question at the outset whether or not a particular person should be interned on the basis of suspicion, or on the basis of a very slight rumour, or upon the slightest evidence for that matter. But one thing cannot be justified, and it is one thing for which there is occasion for criticism. When a man is interned, whether it be upon complaints or upon slight evidence, there can be no justification for keeping him interned month after month without a hearing. Even since the advent of the present Minister of Justice (Mr. St. Laurent), and with the setting up of additional committees, there are cases still where the dispatch does not satisfy me. One instance I know of is where a man had been interned. He was readily given his freedom after some urgency was indicated, when it was pointed out that his wife was dying. As a matter of fact, the man was let out the day after his wife died, and no evidence at all had been found against him. In that case the reason for the delay was that the reporter had been assigned to another job outside the government service and had not transcribed the evidence. Because of the dilatoriness of that particular reporter, a man who had been in this country for forty-two years, a man who could not read or write, remained interned—a man who had been found to be innocent. That cannot be justified, and for the reason that I am going to mention.

The house may recall that several months ago I put on the order paper a question concerning one Otto Strasser. The Prime Minister in replying to that question suggested that I might in view of the circumstances seek an interview with the under-secretary of state for external affairs, Mr. Norman Robertson, and examine the file in connection with this man. I have seen the file, and I think any hon. member who has had that opportunity, which

I am sure is open to any member of this house, will realize that I am restricted in discussing this matter in so far as saying how Otto Strasser got into this country and that sort of thing.

Mr. Otto Strasser was one of the founders of the nazi party. His brother, Gregor, associated with him, played a very important part in the early days of the Brown Shirt movement in Germany, particularly in northern Germany, and while there is other evidence in the books written by Otto Strasser that he does not like Hitler, and has no love for Goering or Goebbels, his writings since his break with Hitler, writings while he was in Europe and since he has been in Canada, do not satisfy me that he is not of the view still that Germany can be restored to her former status, first by removing Hitler, and then by setting up in principle some kind of state which the philosophers of the nazi movement contemplated, and which theoretically Hitler may be assumed to support.

I do not want to do an injustice to any man. I have heard Mr. Otto Strasser speak in my own city of Windsor. I have heard him condemn Hitler. I have heard him tell the people of that city that Hitler was a menace and that those immediately associated with him were a menace. I have heard him say that the only way in which Germany could be beaten was by a distribution of pamphlets. He certainly circumscribed the possibilities of an offensive against Germany. I am not saying that there are not reasons why Otto Strasser should not find an asylum in this country. I am not commenting on that for the reason I have mentioned in reference to the departmental file, but I am saying that his writings do indicate where his sympathies lie in so far as the character of the state he would set up is concerned. Yet we have no hesitation in interning men who are citizens of this country. In many instances that is justifiable, no doubt, but I find it very difficult to see how we can carry out certain forms of internment and yet give asylum to a man who helped to set up in being the national socialist system of which Hitler is the exponent—and give the man an asylum without any restraint upon his movements.

It is significant that Mr. Otto Strasser was denied the right of entering the United States. He was refused a visa for reasons that are best known to the state department of the United States, reasons which I think should be considered in discussing this matter.

Mr. Otto Strasser has written to me and complained about my point of view. I suspect that he will write to me to-morrow after he reads what I have said to-day. That is perhaps his privilege. To show me his position he sent me one of his books. I have read that book and, after reading it, I still have found no reason for changing the point of view I have to-day in regard to that gentleman.

One final thought, Mr. Speaker. I should have liked to hear the leader of the Cooperative Commonwealth Federation party say here to-day that the committee had considered the question of the internment of labour leaders. As a member of that committee, I would certainly not support the internment of any man on the mere ground that he was an organizer of labour. I would not support the internment of any man simply because he was trying to encourage the principle of collective bargaining in any part of this country. But I must say that the committee is not aware nor should the house be led to believe that men have been interned simply because they were labour leaders. That is not fair to labour; it is not fair to the administration; it is not fair to the members of this house; and I think when the Minister of Justice speaks he ought to make clear, as I am sure he will, that no man has been interned in this country simply because he was an organizer of labour, but that there were ancillary reasons for his internment.

I welcome the opportunity of serving once again on this committee, and I know that I shall, along with the other members of the committee, try to give this matter the careful consideration which it requires and deserves.

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, after listening to the address of the hon. member who has just sat down (Mr. Martin), I, as a member of the committee on the defence of Canada regulations at the first session of this parliament, want to join with my hon. friend in saying that at no time during the period I was a member of that committee did anything come before it which in any way suggested that any man had been interned in Canada by reason alone of his activities as a labour leader, or that any man had been interned who ought not to have been interned in the interests of the safety of the state at the time of his internment.

While I entirely agree that in the declaration of principles for which this empire now contends the freedoms occupy a very large and important position, nevertheless I think all of us recognize that in the interests of the safety of the state those rights of which British citizenship ordinarily consists must be sacrificed. The safety of the state must be paramount.

I congratulate the new Minister of Justice (Mr. St. Laurent) upon the way in which

he has proceeded with the administration of these difficult regulations. Those of us who have been connected for many years with the Canadian Bar Association knew, when he was appointed Minister of Justice, that he would carry on his high office in the best British and Canadian traditions. In the administration of the regulations he has removed one of the most serious objections thereto; in that, having set up an advisory committee to investigate whether a person should continue to be interned, he has accepted the recommendations of the committee and in every case has discharged those against whom the committee found no guilt.

The matter raised by the hon. member for Weyburn (Mr. Douglas) with regard to the banning of religious institutions, and in particular Jehovah's Witnesses, could very well be met if an amendment were made to the regulations providing the banned organizations with the right of appeal, giving them an opportunity of showing that they are in fact not illegal and that their activities are not nor have been subversive of the war effort. If that were done, I believe the only serious objection which remains against the administration of the defence of Canada regulations would be removed.

There is, however, another matter which is in fact the reason why I rose to make these few remarks. There is one man whose internment and release should, I believe, be explained by the minister. One thing we do not want any of the people to believe is that, in the administration of these regulations, wealth or position shall count for aught. I refer to the case of James Franceschini, the well-known contractor of the city of Toronto, who was interned shortly after the outbreak of war between Italy and the British empire. I believe the time has come when the minister should explain to the house and to the country the situation with respect to this man, about whom there has been so much speculation and concerning whose release there has been so much discussion. I think it is only fair to ask the minister to answer this question: was James Franceschini guiltless? Was a grave mistake made in his internment or in keeping him in internment for a period of almost one year? I would point out that no satisfactory explanation was given by the Department of Justice when he was released. It was stated that he was released on the ground of ill-health, and that therefore clemency was extended to him. All members and former members of the committee are agreed that it has been necessary in all parts of the empire to remove some of the ordinary rights of British citizenship—rights to which the hon. member for Parry Sound (Mr. Slaght) referred and for whose abrogation he advanced cogent arguments—and to disregard certain well-known principles of the criminal law. Since when did it become justifiable to release because of ill-health, if he was not guiltless, a man who was interned in order to prevent him from carrying on wrongful activities against the state? Ill health is not an explanation; it is an excuse. If Franceschini was innocent it is only fair to him that the government should publicly admit it, as the government of Great Britain has invariably done at Westminster when it has made a mistake. If he was guilty, where is the justification for releasing an interned man in time of war on the ground of ill health?

I might add in this connection that on April 20 a sessional paper, a return to an order made by this house in regard to Mr. Franceschini, was brought down. I had asked certain questions, including these:

2. During the period of his internment, who had control of his property and assets?

3. Was he at the time of his internment interested as shareholder, officer, or otherwise in any companies? If so, what companies?

4. During the period of his internment, (a) did any of the said companies . . . have contracts . . .? . . . (c) if so, give particulars of the location and of the amounts of each of the said contracts. . . .

Finally:

6. Did the government purchase any of the said companies or other assets . . .?

Here is a strange situation: a man interned who is a majority shareholder in certain companies and a minority shareholder in others, and yet during the period of his internment his companies were being operated by the directors under the control of the custodian of enemy property. Dufferin Construction Company Limited, Dufferin Sales Company Limited and subsidiary companies, a large number, some fifteen or eighteen, in which he was interested, were operating during the period of his incarceration. No doubt, when he was released, the profits earned during the time that he was in custody were returned to him, although as to this question the return says that the authorities are unable to say.

When he was finally discharged, after his companies had received from the government contracts running into the millions, the government purchased from him the shipbuilding company in which he was interested. During the period of his internment Dufferin Paving and Crushed Stone Company Limited, in which he was a shareholder, had a contract for the construction of ground services at

Hagersville, Ontario, in the amount of $134,496, and Dufferin Paving Company Limited had a contract for paving roads, et cetera, at Swift Current for $34,530. During his internment contracts were entered into with Dufferin Shipbuilding Company Limited, controlled in whole or in part by him, to the extent of several million dollars as follows: October 23, 1940, mine-sweeping vessels, $1,316,852; April 9, 1941, supply of four mine-sweeping vessels, $2,699,568; June 2, 1941, mine-sweepers, $2,530,817. Finally, when he was released the government cancelled outstanding contracts by agreement and purchased the outstanding shares of the capital stock of Dufferin Shipbuilding Company for $975,000. Why an enemy of the country, if he was an enemy, while he remained interned should have been able to carry on his business affairs under the custodian of alien enemy property and then on his discharge receive the profits requires an explanation. The minister may come before the house and the country and explain that a mistake was made and that this man was innocent. I am of opinion that it will be very difficult for the government otherwise to explain the matter satisfactorily. It may be noted that the only ground for his release given at the time of his discharge was his serious illness.

In conclusion, let me say that I had the honour to belong to the defence of Canada regulations committee during the first session. As has been stated by the hon. member for Parry Sound whose distinguished career as a lawyer added lustre to the committee, and also by the hon. member for Rosetown-Biggar (Mr. Coldwell), if ever there was a committee of this parliament that was a model for others it is this one. Members of the committee worked together without any considerations of party or party benefit, with one end and one end only, namely, the assistance of this country at this time. While mistakes no doubt have been made; while improvements in the regulations have had to be incorporated from time to time in the original regulations, the record to date has been one that justifies the existence and continuance of this committee.

I join with the hon. member for Vancouver South (Mr. Green) in asking that the committee be given an opportunity as well to look into the matter of naturalization and deportation. If I understood rightly, at the present time aliens who are British subjects and are interned for wrongdoing, cannot be deported at the conclusion of hostilities, and recommendations should be made with regard thereto at the earliest possible moment.

Mr. J. W. NOSEWORTHY (York South): More than two months ago a deputation from the civil liberties' association met the Prime Minister (Mr. Mackenzie King), the Minister of Justice (Mr. St. Laurent), and other ministers of the crown and made certain recommendations with regard to the enforcement of the defence of Canada regulations. We have asked repeatedly for a report from the minister regarding the consideration which these representations have received and the extent to which they have been followed. That report was promised to us over the Prime Minister's signature before the Easter recess.

Mr. ST. LAURENT: And has been ready for the last six weeks for presentation at any time the hon. member chose to ask for it.

Mr. NOSEWORTHY: Then we may expect from the minister a report when he is speaking to this motion.

In the second place, I would call the attention of the minister and members of the committee to three widespread suspicions which I have found all across Ontario with regard to the defence of Canada regulations. There is a widespread suspicion that communists are being interned because they are communists. It is in the interests of our war effort that every possible measure be taken to remove that suspicion from the public mind. If I were a communist; if I were more interested in the spread of communism than in our war effort, I would desire nothing more than to see communist leaders interned, whereby they become public heroes and their cause becomes popular with their people and with others.

The second suspicion that I have found, notwithstanding statements made here this afternoon, is that men have been interned because of their work in labour organizations. We have already had the assurance of members of the committee that no person has been interned on these grounds.

Mr. MITCHELL: When the hon. member speaks of labour organizations, to what does he refer?

Mr. NOSEWORTHY: I am referring to activity in labour organizations.

Mr. MITCHELL: That is a pretty broad term.

Mr. NOSEWORTHY: Or union activity, if you wish to narrow the term. That suspicion should be removed. It is a remarkable coincidence that so many of those persons who have been interned have been at the same time very active in trade unionism, and I am quite sure that that widespread suspicion is a deterrent to our war effort to-day.

A third suspicion abroad which this committee should remove is that the present administration is much too favourable to those of nazi and fascist tendencies or mentality. Two examples have been called to our attention this afternoon. There is a widespread feeling that a great many who are interested in the spread of nazism and fascism are being, if not aided and abetted, at least overlooked by the authorities, while those who are active in the spread of genuine democracy, which will establish the four freedoms that we hear so much about, are being picked up and interned. I do not think for a moment that we should be so desirous of being democratic as to permit the use of democratic principles for the destruction of democracy itself; but if the defence of Canada regulations are there to promote our war effort, they are defeating their purpose in these three respects at least.

Hon. L. S. ST. LAURENT (Minister of Justice): I shall not ask your permission, Mr. Speaker, to avail myself of the kind invitation of the leader of the opposition (Mr. Hanson) to make any formal address to the house at this time on this subject. I think it is one of the subjects connected with the fact that we are at war and that we should get on with the work we have to do with perhaps as little talking about it as is compatible with a proper performance of the undertaking itself. There are, however, a few things which I should like to touch upon with regard to remarks that have been offered by hon. members in the course of the debate this afternoon.

First of all I wish to thank all the hon. members who have participated in the debate for the very helpful suggestions that have been made, which I am sure will receive the careful consideration of this committee as soon as it gets down to the work it is appointed to perform. With respect to the three suspicions mentioned by the hon. member for York South (Mr. Noseworthy) as being in the mind of the public at large with regard to the manner in which the defence of Canada regulations are administered, I should like to say that almost at once a report was prepared on the representations of the Civil Liberties' Association of Toronto, and I have had it in my envelope here for several weeks to be brought before the house at any time an inquiry about it might be made. I may add that for several days, as soon as other perhaps more vital issues were disposed of, I have been considering asking for an opportunity to make a statement to the house, but have refrained from doing so because the representatives of that league have asked for another conference with me about it and I am to meet them at ten o'clock to-morrow morning.

The question having been raised, I should like to say to the hon. member for York South that these representations were seven in number. The first was that a statement of policy be made to the effect that regulation 21 will not be applied in cases where there is merely trade union activity or participation in a strike, and that an amendment to that effect, such as is contained in paragraph 1 of regulation 7, be made to regulation 21. I proposed to answer, and I do now answer, that it has not been and is not now the policy to detain a person because of trade union activities or participation in a strike; and that an amendment to regulation 21 along the lines suggested has now been made and will, I hope, ensure that this policy will continue to be carried into effect.

The second representation was that regulation 21 should be revised as in the United Kingdom to point more precisely to the class of action intended to be dealt with by the regulation. This matter was fully discussed before the special committee of the house in 1940 and again in 1941, and the present wording of the regulation was maintained on the report of that committee. We have felt that it was desirable to have the investigation of this year's committee before venturing to make any change in the phraseology of the regulation.

The third representation was that consideration be given in each particular case as to whether procedure should be by way of action in the courts rather than by internment, and that a person who had been acquitted by the courts should not thereafter be interned. This procedure is already being followed wherever it is found that there is evidence which would justify us in believing that a conviction for the offence would be obtained under the regulation. Where a person has been acquitted by the courts on a charge laid, detention has not been and is not being effected unless there are other grounds than those connected with the charge investigated by the court. As has already been stated in the house, wherever detention or internment is contemplated a summary of the grounds is drawn up and submitted to a committee, and no internment has been ordered for several months unless there was a report from this committee, which is an interdepartmental committee on which the Department of Justice is not represented. That has been the practice for several months. The order provides that the internee, immediately upon arrest, shall be detained in

the local gaol, not sent to an internment camp, until he has had an opportunity of stating whether he objects to internment, or the thirty days' delay has expired. If he objects to internment he is not sent to a concentration camp until one of these advisory boards has tried the issue. Hon. members know now that at the opening of the session and every four weeks while the house is in session a report of the number of cases dealt with under section 21 is required to be filed, and it has been my good fortune to be able to report to this house that not one recommendation of an advisory board has been disregarded.

The fourth representation was that a recognized representative of the trade unions be appointed as a member of the advisory committees under regulation 22, and that one other member be a person who has held high judicial office. A new advisory committee has recently been appointed, because we found there were a large number of cases still to be dealt with. Hon. members may believe that I feel just as keenly as any one of them how unfortunate it is to detain anyone who should not be interned, and I have felt that it was most urgent that these cases be considered with as great expedition as is consistent with a fair hearing and a proper decision. A new committee has recently been appointed to help expedite the work of hearing these appeals as it were, of considering the cases of those who are still interned, and it was our good fortune to be able to secure the services of a representative member of the trade unions to serve on this additional committee.

With respect to that part of the recommendation that one member of the committee be a person who has held high judicial office, the chairmen of the three committees now in operation are: one a county court judge, one a former county court judge, and the third a member of the magistrate's court of the province of Quebec.

Mr. HANSON (York-Sunbury): Would the minister say that is a high judicial office?

Mr. ST. LAURENT: No.

Mr. HANSON (York-Sunbury): They do not measure up.

Mr. ST. LAURENT: No, these are not gentlemen who have occupied high judicial office. But so far we have found that the way in which they have performed their duties has been very satisfactory. The situation with respect to high judicial office throughout several of the provinces is such that it would be difficult to get the services of such men for these committees unless we increase the numbers of members of the courts. There are already members of some of our high courts serving in various capacities in war activities, and if we were to require more of our high court judges to serve in this work it would be essential to increase the number of appointees. It is an unforutnate fact that several members of our courts in several of the provinces are in poor health. If we took from those performing the ordinary judicial functions at the present time greater numbers than are now engaged upon war activities here, additional appointments would have to be made, and it has not seemed that the services being performed by the committees presided over by the gentlemen who now preside over them are not in fact satisfactory.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. ST. LAURENT: Mr. Speaker, the fifth representation made by this Civil Liberties' Association was that on hearings before advisory committees the Department of Justice should be represented by counsel of high standing. This was given careful consideration, and in view of the fact that many of the persons who are detained are not able to have counsel representing them it is not considered desirable that counsel should represent the crown. Further it is considered that such procedure would probably cause undue delay. A large number of these cases have still to be considered, and we are trying to expedite them as much as possible.

The sixth representation was that fuller disclosure of the facts with regard to cases of detention should be made to parliament in greater detail than at present. The provisions of the third subsection of regulation 21 requiring information to be furnished to parliament are similar to those in force in the United Kingdom, and they require that the Minister of Justice shall at the beginning of each session of parliament, and every four weeks thereafter during each session, make reports to parliament showing the action taken under those regulations, which reports shall show the number of persons detained under orders made pursuant to the regulation, and the number of cases, if any, in which the Minister of Justice declined to follow the advice of any advisory committee which may be appointed under regulation 22. These reports are being filed in due course. If, as a result of the investigation of this special committee, it is thought desirable that fuller information should be supplied to parliament, and if the committee, after considering all

the factors involved, considers it to be in the public interest that these reports should disclose more about the individual cases, the recommendations of the committee will be given careful consideration, not only by me but by council. I have no doubt that the desires of parliament in that regard will be promptly and fully met.

There was a further representation that regulations 39 and 39A be amended so that prohibited statements be defined as statements amounting to a systematic publication of matter calculated to foment opposition to the successful prosecution of the war. Regulations 39 and 39A were considered and revised in accordance with the recommendations of the special committee of 1940-41; and it is not considered that, pending the report of the new committee, the present is an opportune time to relax these regulations.

The third suspicion mentioned by the hon. member for York South (Mr. Noseworthy), as being one of those which to a certain extent might undermine the confidence of the public in the administration of the regulations, was that some nazi adherents, two of whom were mentioned in the course of the debate this afternoon, have not yet been interfered with. This is a matter that is well worth careful consideration and I wish to assure the house that we are seriously concerned over what should be done to prevent any damage to the war effort upon which we are engaged. If after examination it is found that there are at large in this country people whose activities are thought to be detrimental to the prosecution of the war effort, proper measures will be adopted in that regard.

The hon. member for Lake Centre (Mr. Diefenbaker) discussed some of the statements made in a return to the house concerning one James Franceschini. I must confess that I have not had an opportunity of examining a large part of the material to which reference was made by the hon. member, because the administration of the affairs of this interned person was under the control of the custodian. The manner in which this interned person's affairs were administered can be the object of inquiry. Possibly that matter does not fall within the purview of the jurisdiction given to this special committee—although I am not suggesting that if it sees fit the special committee should not inquire into the matter—but the inquiry would have to be directed to officers of the custodian's branch rather than to officers of the Department of Justice.

As to the release of Mr. Franceschini I was informed some time ago by counsel acting for him that it was proposed to make an inquiry from me as to how that had come about. At that time I had prepared a draft answer which, I believe, might be made to that inquiry. Perhaps I might communicate to the house what had been determined at that time. This draft, which is under date of April 15, states:

> With reference to your inquiry respecting James Franceschini I may say that the information in the possession of the police warranted, in my view, the original detention of Franceschini. Subsequently however and after fuller information had been obtained the late Minister of Justice ordered his unconditional release on the ground that it was not considered that he would be likely to be a danger to the state, owing to the serious state of his health.
>
> From the information presently available and the circumstances existing to-day I think that if this case were now being reviewed by an advisory committee it would be reasonable to believe that such committee would be apt to recommend release. Such a recommendation would be consistent with other recommendations in cases in which the evidence is somewhat similar.

I did go through the file pretty carefully, and we prepared this statement. I may say that the information in possession of the police in my view warranted the orginal detention of Franceschini. I also came to the conclusion that if he had not been unconditionally released when he was, and if his case were now being reviewed by an advisory committee, it is my belief that that committee would recommend release. That would appear to be consistent with what has been done in other cases where the evidence is somewhat similar.

Mr. ROEBUCK: Did a committee not recommend his release?

Mr. ST. LAURENT: There had been an original inquiry by one of the former committees, consisting of one person; and a report had been made. The then minister of justice, on that report and the information before him, had decided to order a continuation of detention. That, I think, is as far as it is proper for me to go. There must be someone to assume the responsibility in the house for detention orders, and the continuation of detention where it has been continued; and it is my submission that it is in the interest of the public that that responsibility should rest upon someone who is answerable to this house.

As I said this afternoon it has been my good fortune to be able to accept every recommendation that has been put before me; but I felt in each instance that I was taking a responsibility for which I was answerable to the house, and that that was the way in which these regulations should be administered.

There is no suggestion that in the detention of an individual there is punishment. It is merely prevention. It is only in such cases where the person responsible can come before the house and say that in his opinion it would be dangerous for the safety of the state in this crisis to have the person concerned at large.

Mr. HANSON (York-Sunbury): There is no such thing as clemency then?

Mr. ST. LAURENT: There is no such thing as clemency; there cannot be any such thing as clemency. In the case of Franceschini, if the leader of the opposition (Mr. Hanson) has that in mind, I think the expression used at the time he was released that it was on compassionate grounds is an unfortunate expression, and one that was not in accord with the real finding. The real finding was that because of the condition of the man's health at that time it was not felt that his being at large would endanger the safety of the state.

Mr. HANSON (York-Sunbury): If the minister would allow me I should like to say that there is a distinction between clemency and compassion. Compassionate grounds might apply to the state of a man's health. We need to be charitable about these matters, and judicial too.

Mr. ST. LAURENT: The information, which I think has been most carefully controlled, is that this man's health was such that without surgical intervention his life was a matter of days. That being the condition of his health, it was considered at that time that releasing him would not in any way endanger the safety of the state. No grounds have developed since which in my opinion would justify reinternment. Had release not been made at that time and had the case come before the advisory board, I feel that the advisory board would have been apt to recommend release. Had I been the one to receive such a recommendation, I would have approved it at once and ordered release.

The hon. member for Essex East (Mr. Martin) referred to a case where a man had been detained for some considerable time because the reporter had been engaged upon other business and his notes had not been submitted to the advisory committee. I agree with the hon. member in voicing strong condemnation of anything of that kind, and I wish to assure him that in so far as I can exercise supervision over these matters, such things will not occur. We do appreciate that there are probably still some internees who will be released when their cases are considered by the advisory committees. It is both in the public interest and in justice to such internees that their cases be reached and dealt with as expeditiously as possible.

The hon. member for Weyburn (Mr. Douglas) adverted to the fact that under the regulations Jehovah's Witnesses are declared to be an illegal organization. I must confess that I have not had an opportunity of examining the facts relative to these declarations of illegality contained in regulation 39C, but I trust the house will agree with me when I say that so long as the regulation remains the law of the country, it is the duty of the Minister of Justice to see that it is applied. If there are any features of the regulations which should be varied, until such time as they are varied the Minister of Justice cannot take it upon himself to refrain from applying them in the terms in which they have been set out. These matters can be examined and reviewed and recommendations made by this special committee, and the recommendations of the special committee will most certainly receive the careful consideration of his excellency in council. But until such time as the regulations are modified, I feel that it is my duty to apply them as fairly and as completely as the terms require.

There was a suggestion from the hon. member for Davenport (Mr. MacNicol) that, by reason of his being a layman, he felt that he should not interfere in any way with the application of the regulations. I beg to assure the hon. member that we are only too pleased at all times to receive information upon which we can rely for the purpose of dealing with these cases. Any representation that the hon. member for Davenport or the member for any other constituency may see fit to submit at any time will receive careful consideration. We shall be grateful for information coming from sources upon which we can rely.

Mr. POULIOT: Hear, hear.

Mr. ST. LAURENT: I extend the same invitation to the hon. member for Témiscouata (Mr. Pouliot). Any suggestions he may make will receive the most careful consideration.

The hon. member for Vancouver South (Mr. Green) noted that this resolution does not, as did the resolution last year, provide for the examination by the committee of matters relating to naturalization and deportation. It will be noticed that the resolution setting up the special committee last year was introduced by the Prime Minister (Mr. Mackenzie King), and he probably felt no qualms in asking for the investigation of matters which might concern more than one department.

This year I am asking the house to appoint a special committee to investigate matters relating to the Department of Justice. Naturalization and deportation may to a certain extent be connected with and dealt with by the regulations, and I suggest that if these matters are to be examined and a report submitted, the report will receive the consideration of my hon. friend who presides over the department within which these matters come.

Mr. GREEN: The Secretary of State (Mr. McLarty) is in his place at the moment, and the matter of naturalization comes under his department. I feel quite confident that he would have no objection to having this resolution amended to include naturalization and deportation. After all, the committee is not to investigate the Department of Justice; it is to investigate these particular subjects, and I urge upon the minister that he agree to having the motion amended to cover these two matters. They have already been considered to a certain extent by a committee, the personnel of which was almost identical with that of the committee which is to function this year.

Mr. ST. LAURENT: I certainly would have no objection to the committee examining any subjects. Although my experience here is quite limited, may I suggest that possibly the committee itself might ask for further powers to deal with these subjects if it feels that it is convenient to deal with them in connection with the other matters. If such a suggestion comes from the committee, I can assure the hon. member that I would be the last to raise any objection.

Several interesting suggestions were made by the hon. member for Trinity (Mr. Roebuck), of which I took careful note and which, no doubt, will receive the consideration of the committee. For instance, the hon. member suggested that the terms of regulation 21 were too sweeping, that there should be greater particularity. I understand that this matter received the attention of the committee which sat in 1940 and in 1941, and I have no doubt that it will be one of the main topics for consideration of the committee which is to sit this year. The hon. member for Parry Sound (Mr. Slaght) dealt with some of the suggestions made by the hon. member for Trinity. I submit that the composition of the committee is such that we who are not members may feel assured that these matters will receive the consideration they deserve in the interests of the public.

The hon. member for Lethbridge (Mr. Blackmore) also put forward the suggestion that the committee should review with care the whole question of the banning of organizations and publications as well as the internment of persons. I take it that the hon. member did not mean that it should be the duty of the committee to examine the case of each one of those who are interned. That would certainly be a very great convenience for the Department of Justice, but it would be an undertaking which I am afraid the time of the committee would not allow it to perform.

Mr. HANSON (York-Sunbury): I would suggest that it would not be within the purview of the reference to the committee.

Mr. ST. LAURENT: The reference is broad, and we did consider whether there should be the insertion of any other words in the resolution, but certainly not for the purpose of recommending an order with respect to any individuals. The first part of the hon. member's suggestion would, however, come well within the purview of the reference because these organizations and these publications are specifically set out in the regulations; and, having jurisdiction to review the regulations, the committee would have jurisdiction to review the main portion of the hon. member's suggestion. But I did not understand that the hon. member meant that the committee should make a special recommendation in respect of each of the individuals interned but that rather it was a matter of general policy that was going to be reviewed.

I share with the hon. member for Rosetown-Biggar (Mr. Coldwell) his regrets that he is not to be a member of the committee this year, because I have read the reports and I do appreciate that his presence on the committee in past years has been of very great assistance; but I hope that even if he is not a member of the committee, he will find opportunity to come before it and to give those who may be sitting upon it the benefit of such suggestions as he may feel are proper.

There remains the invitation of the hon. leader of the opposition that the Minister of Justice tell the house what is his attitude and what is the attitude of the government toward the communist party. The policy of the government has not yet been determined, and I do not think it would be proper for the government or for one of its members, when it has proposed the appointment of a special committee to investigate the matter, to publish in advance of the findings of the committee what its policy was going to be. The government will no doubt want to give very careful consideration to the recommendations which the committee will see fit to make.

As to the attitude of the Minister of Justice, I cannot go further than to say that his attitude is to apply the regulations as they exist and as they will exist from time to time. My duty, I take it, is to apply these regulations and not to remake them. If they are to be remade, they will be remade by his excellency in council, after the best consideration in the power of all the members of the government has been given to the recommendations which we hope to receive from the committee. When the policy has been determined I think I may have the privilege of stating it to the house on an occasion when that policy will be debatable. I understand, Mr. Speaker, that I am closing this debate and that when I sit down you will put the question. I do not think it would be proper for me therefore to attempt to make any statement now that would not be open to discussion by the house, but when the policy has been formulated I hope to have the opportunity, as I said, of announcing it to the house on an occasion when it will be the subject of debate.

Motion agreed to.

"THE NEW CANADIAN"

INQUIRY AS TO VANCOUVER NEWSPAPER PUBLISHED IN JAPANESE AND ENGLISH

On the orders of the day:

Mr. THOMAS REID (New Westminster): I should like to ask the Secretary of State whether it is true that a paper is being published in Vancouver under the name of *The New Canadian,* and published in Japanese and in English, and whether any steps are being taken to check up on it?

Hon. N. A. McLARTY (Secretary of State): Will my hon. friend allow me to treat his question as a notice? I have not the information available at the moment, but I shall be glad to obtain it and give an answer very soon.

WAR APPROPRIATION BILL

PROVISION FOR GRANTING TO HIS MAJESTY AID FOR NATIONAL DEFENCE AND SECURITY

The house resumed from Friday, May 1, consideration in committee of a resolution to provide sums not exceeding $2,000,000,000 for the year ending March 31, 1943, for granting to his majesty aid for national defence and security—Mr. Ilsley—Mr. Vien in the chair.

Mr. MacNICOL: Yesterday I was in the station at London, Ontario, when a soldier came in who had received a wire from his home in Halifax that his mother or father—I forget which—had died. He purchased a ticket from London to Halifax, and I observed he had to pay for it $36.60, as I remember. I asked the young man, "Do you have to pay your own way back to Halifax?" He said, "Yes, I do." In circumstances like that where a Halifax soldier is sent to train far away from home, as far as London in the province of Ontario, surely to goodness there must be some regulation whereby he would not have to pay $36.60 out of the small monthly sum a private receives to return home to Halifax on the decease of one of his parents. Is there no regulation covering such a case?

Mr. RALSTON: He would pay one-way fare for the return ticket.

Mr. MacNICOL: I know he paid $36.60. I do not know whether that was return fare or not.

Mr. RALSTON: When they are on leave, they pay one-way fare. There is also a special regulation which provides for payment of one-third of the one-way fare.

Mr. MacNICOL: But there were special circumstances in this case. He was training so far away from home. He might just as well have been training in Nova Scotia as coming all the way to Ontario to be trained. But that appears to be the system all across Canada. Surely under those special circumstances, where the soldier had to return home because of the death of one of his parents, there should be some assistance granted to help him get back home, a free trip or some minimum fare so that he would not have to pay such a large amount as $36.60.

Mr. RALSTON: The big fare to which my hon. friend refers was on account of the distance. The regulation is that all soldiers on leave get at least one-way fare; that is, they do not have to pay their return fare.

Mr. GLADSTONE: I should like to read a letter appearing in the Guelph *Daily Mercury* of Thursday, April 30, 1942. This letter is from a definite identified unit in England, but the soldiers' names are not given. The letter reads:

Editor Guelph *Daily Mercury,*
Sir:

We, the men of the 16-43rd Battery of Guelph, have been reading in an issue of the *Mercury,* which we were glad to receive, a little late, but better late than never, that the present soldiers of 40-day fame, are being dressed up like Little Lord Fauntleroys, in a dress uniform, somewhat like that worn by our officers, while we poor chaps find it hard to even get a second pair of issue pants to our battle-dress.

We would like to find out why there is such a scarcity of pants for us while the recruits are able to be dressed in such a manner. We would like very much the cooperation of the Guelph *Daily Mercury* by publishing this letter and letting the people know how we are being dressed as compared with the soldiers back home.

So if you would be so kind as to find out why we can't get any more clothes from home, we certainly will be very much obliged to you and your paper for the kind assistance in this matter. So let us know at your earliest possible convenience. Our return address is:

The Boys of "C" Troop
16th Battery
12th Field Regt.,
England, March 25,
R.C.A. Canadian Army Overseas.

I should be glad if the minister is now in a position to give an answer.

Mr. RALSTON: This is the first complaint I have ever heard of or received with regard to dress or clothing in England. Within the last two weeks I received word from General McNaughton with particular regard to the quality of the battle-dress issued over there, which is Canadian made; two suits of battle-dress are allowed. I do not understand what the young men say about the difficulty of getting a second pair of trousers. I am quite satisfied that—I was going to say, something has slipped down—

Mr. REID: Give them kilts.

Mr. RALSTON: I am sure that this must be the odd case. I shall certainly look into it and shall even ask England about C Troop, 16th Battery, R.C.A.

Mr. MacINNIS: During the rather long time that the Department of National Defence has been under review, I do not believe I have said anything. Most of the matters I would have raised and the questions I would have asked were raised or asked by someone else, and I was satisfied with the minister's replies.

However, just before the house adjourned on Friday last the hon. member for Vancouver South raised two points in this discussion which went beyond a mere asking for information and dealt with questions of military policy. When the minister suggested that the hon. member seemed to think only of one of Canada's coasts as being in danger, the hon. member remarked that he represented a Vancouver or a coast constituency and felt that, because of that, he should be more concerned with the west coast. I also represent a west coast constituency, but I would not wish to have it supposed that, because I have not stressed defence matters, I am not concerned with the defence of either coast or with Canada's whole war effort. I do not want the hon. member for Vancouver South to feel that I am criticizing him if I disagree with him. I realize that he has far more experience with military affairs than I have. But he raised a question of general policy. What he said was this, as reported in *Hansard*, page 2066.

It seems to me the committee would be well advised at this stage to try to get a broad picture of Canadian army activities both abroad and at home.

While I may not know very much about the details of military operations, I think I have about as much grasp as the average person of what the broad principles are, and I must admit that what the hon. member for Vancouver South said on Friday disturbed me greatly.

First he mentioned that we must avenge Hong Kong. I think that is a bad approach to Canada's war effort. Then he said that we must build up an army of the Pacific which would be able to fight on its own, fight by itself. It seems to me that that does not fit into the strategy of this war, because there is nothing clearer than that Canada cannot fight on her own.

Mr. GREEN: On a question of privilege, I am sure the hon. member for Vancouver East would not misrepresent me intentionally. Perhaps I did not make myself clear. What I meant was that there should be a complete army—not that it should fight by itself, but that it should be an army rather than a group of detachments to defend the coast.

Mr. MacINNIS: I mentioned when I began that I hoped the hon. member for Vancouver South would not interpret my remarks as a criticism in the sense in which criticism in this chamber is generally regarded. But the words which I quoted are definitely the words he used; he mentioned an army which would be able to fight on its own, fight by itself.

I think I have previously pointed out the enormous amount of equipment which would be required if Canada were to lead an offensive war on the Pacific, and what I said at that time holds good to-day. No matter what impression may be made locally by what an hon. member may say, we should keep the general situation clearly in mind. We should make it clear—and I think it needs to be made clear in Canada, because of the feeling in some parts of the country—that we are engaged in a world war, a war in which practically the whole world is fighting the axis powers. That fact is as important in its application to one of Canada's coasts as it is to the other.

We can no more make a war all on our own or put a force of our own in the eastern theatre of war than we can on the west. We must fight this war in conjunction with our allies or not fight at all. That demands, in my opinion, a unified strategy and a united command.

If it does not mean that, then our Pacific war council does not mean anything. I think it would create a wrong impression in the minds of our people if we were to suggest that we could put an army of our own in the field against the Japanese.

As I have said, I have taken very little part in this discussion, not because I did not have some idea of what our west coast defences are, but because I felt it would not be very helpful to expose the weaknesses of our west coast defences by giving publicity to it in this house. Again, I realize that the government is faced with a great shortage of war material. It has been said in this discussion time and again that our men in training do not have a sufficient number of rifles and other necessary equipment. Criticism of that kind is really the easiest thing in the world to engage in, but I never felt inclined to indulge in it because I realize that the government is faced with a shortage of material and that if existing material is to be allocated to the best advantage it should go to the fighting units rather than to units in training. I know very little about these matters, but it seems to me that while you may be able to train a man without first-class equipment, you certainly cannot put him into the field and expect him to fight without such equipment. I have felt that the government had no other choice than to use the equipment available where it could be employed to best advantage.

After the hon. member for Vancouver South had finished, the hon. member for Témiscouata (Mr. Pouliot) spoke on the necessity or the desirability of Canada keeping her men at home. He said that the place to defend Canada is in Canada. I take it that most members agree that Canada is being defended to-day, but she is not being defended on the shores of the St. Lawrence or on the east or the west coast. Every Russian soldier who died on the battle-fields of Russia during last winter died, in my opinion, in the defence of Canada. Possibly he did not know that he was dying in the defence of Canada; nevertheless the circumstances are such that he did die in the defence of Canada. Either that or we are assuming that Hitler and his nazis are no threat to the north American continent or to Canada's place therein. Canada is being defended to-day in the mud and heat of Burma, in the North sea, on the Atlantic and on the Pacific. If Canada is not being defended in those places, if the enemy is not defeated in those places, in those far-away places, then it seems to me it will be very difficult, indeed it is highly improbable, that we shall be able to defeat the nazis when they land on Canada's shores. This is something that our isolationists should be told. Isolationism died, so far as the north American continent is concerned, even for the most dyed-in-the-wool isolationists, at Pearl Harbour. Evidently the significance of that fact has not reached some people in Canada even to this day.

In all kindness I suggest to the hon. member for Vancouver South that we are not going to create great enthusiasm for the war in Canada by saying that Hong Kong must be avenged. Hong Kong was a terrible disaster; it may have been more than that. But Hong Kong was only one of a great many incidents in this war; and when I say this war, I am assuming that this war started before September 1939. Nanking was another incident more horrible than Hong Kong. Yet it did not disturb us, and it is because these things did not disturb us that we are not going to raise a great deal of enthusiasm in the young men in our armed forces with the idea of revenge. I remember reading a statement by Wellington Koo made to the assembly of the League of Nations in 1937. He was pleading China's case before the league, asking for the assistance of the nations who were then members of the league. He said that in a very short time the sky would be black with chickens coming home to roost. Well, Hong Kong was just one of the brood coming home to roost.

To me, the issue in this war is not revenge. There are two issues that we must keep always and continuously before us. The first is to destroy completely and forever the conception that might is right, that force is the ultimate arbiter in international affairs. That is the nazi conception of international affairs, and that is why the nations of the world reluctantly had to take up the fight with nazi Germany. The second issue in the war is to bring the rule of law into the world, to maintain for everyone social, political and economic security and freedom. If we do not keep these things in mind; if we do not by deed as well as by word show that we are fighting for these things, we shall not get very far with appeals to hate or to revenge.

The other matter to which the hon. member for Vancouver South referred on Friday, compulsory military service for overseas: I am not sure that this is the proper time to discuss it. The question will have to be discussed, but I think it should be discussed at some other time rather than in connection with this resolu-

tion. While I agree with the hon. member that it is desirable that that question should be decided, particularly as far as the western hemisphere is concerned, nevertheless I believe that the greatest question facing this country is still the question of production, and that until our production reaches the point where we can supply not only all our fighting forces but also the men in training, the question of compulsory service is not of such great importance.

Mr. POTTIER: I wish to make a few remarks in connection with a statement made by the hon. member for Vancouver South on Friday last, as reported on page 2068 of *Hansard*. His statement reads as follows:

> If the members from the minister's own province have not gumption enough to get up and urge that steps be taken to improve the defence of the Atlantic coast, I do not think it helps very much to accuse somebody else who speaks of the needs of the Pacific coast of being unfair to Canada. The onus is just the other way. I say, give the Atlantic coast everything they need, and I have pleaded for that, not as strongly perhaps as I might have for the needs of the Pacific coast because I do not know all the facts. I do not appreciate the minister or any member getting up here and making accusations against me in that way.

I am suggesting to the hon. member that that statement, particularly in conjunction with the use of the word "gumption", is objectionable, and quite frankly that is the reason why I am on my feet at this time. His statement is unfair, and I urge upon the hon. member in fairness to the members from the maritimes that he withdraw that statement. I do not think any hon. member from the maritimes would use a term like that about any other hon. member or a group of members from the Pacific coast.

Mr. HOMUTH: What would they say?

Mr. POTTIER: They would say, "Treat the two coasts in the same manner." That is all we on the Atlantic coast have ever asked for. We on the Atlantic coast have not asked for anything that is not coming to us, and such expressions as that used by the hon. member for Vancouver South are unfortunate and give a wrong impression. At the present time we are more in the war zone than the Pacific coast. We have submarines off our shores; we have sinkings in sight of land—

An hon. MEMBER: East is East and West is West.

Mr. GREEN: If the hon. member feels badly about that word, I am only too glad to withdraw it.

Mr. POTTIER: Thank you.

[Mr. MacInnis.]

Mr. GREEN: It would be unfortunate if there should develop a contest between hon. members from the far east and those from the far west with regard to what defences they get. As a matter of fact both of us have a hard enough time getting proper defences. I was, however, attacked the other day for supposedly thinking only of the western coast. I thought it was a most unfair statement to have made against me; it was on that account that I made the explanation I did. But I have no wish at all to hurt the feelings of any hon. members from Nova Scotia.

Mr. RALSTON: All I want to say is, I think my hon. friend can search what I have said from end to end and he will find no attack of any kind on him. What I said was that I was glad to recognize that there are two coasts and that sometimes I thought he had not given the same attention to that fact that he might have given.

Mr. GREEN: I do not think that is a very complimentary statement.

Mr. RALSTON: There was no suggestion of an attack. I read *Hansard* afterwards, and I think neither he nor any other hon. member will find any suggestion of the kind.

Mr. CRUICKSHANK: I have refrained from making any speeches in this debate because I am sure the minister does not need them. I will, however, make one suggestion to him in order to facilitate peace. I suggest that he have a condensed report of some of the strategic points brought forward by some of the armchair generals sent to Hitler and the latter will at once call the war off. It will be noticed that there has been a remarkable reluctance on the part of some hon. ex-soldier members to speak during this discussion. I am sorry that hon. members from the maritimes take offence at the remarks of the hon. member for Vancouver South; if he had had the pleasure I had the other night of partaking of a delightful lobster supper with hon. members from the maritimes, he would have made no such suggestion.

As to the hon. member for Peel (Mr. Graydon), I am not congratulating the leader of the opposition (Mr. Hanson); I leave that to the hon. member for Témiscouata (Mr. Pouliot); but the hon. member for Peel said something the other day that as a returned man I should like to endorse and that, in my opinion, 99 per cent of the private members endorse, namely, that neither the minister nor any other member of the government has yet offered a reasonable

explanation for not granting the cost of living bonus in some form to soldiers' dependents. I can give the minister one suggestion as to where he could find the money to do that; if we abolished that museum of political inactivity known as the other place, it would pay quite a bit of the cost.

Mr. HANSON (York-Sunbury): But look at all those people who want to go there.

Mr. CRUICKSHANK: Well, I am not a lawyer.

There is another thing which I should like to endorse and which if we as returned men did not endorse we would be derelict in our duty. No member of the government has given any reasonable excuse why at least for embarkation leave we cannot give free passage to every soldier in Canada.

I am not going to try to tell the minister how to defend the Pacific coast or the Atlantic, because I am not a military strategist. I have seen a collection of most gallant gentlemen round here for many days, who should be getting on with the war, instead of listening to speeches. A second reason is that I do not yet know what the coast defences are, and I do not think any private member here does.

Perhaps for the first time, but I hope not for the last time, I want to congratulate the hon. member for Vancouver East upon an excellent speech to-night. Generally I agree with the hon. member for Vancouver South more than with the hon. member for Vancouver East, because there is a little south-east Vancouver war in our country. I do not think any private member can tell what the strategy should be for defending the Pacific coast, but I should like to ask the minister a couple of questions in that connection. I am not satisfied with the stand his staff has taken, as I understand it. Perhaps he will correct me if I am wrong; but, as I understand, his staff are perfectly satisfied that we have proper provision, in the event of attack on the Pacific coast, for taking reinforcements to the coast, either man-power or munitions, or the possible necessity of evacuation from Pacific coast cities. I am sure the minister has not been correctly advised through his staff; I presume the staff are aware—if not, they should be; there are enough of them—that we have no alternative highway or railway to get supplies in to the coast or people out from the Pacific coast in the event of attack. I am sure the minister has not been advised by his staff that the partial evacuation from Hastings park is now stretched along the trans-Canada highway in boxcars where bombs could be dropped by the most amateur Japanese saboteurs, putting either of the railways out of action.

Mr. MITCHELL: How can they get the bombs?

Mr. CRUICKSHANK: I do not think you want me to point out the dates that powder was issued to Japanese in British Columbia, since Pearl Harbour, and neither you nor I know where that powder went. I will not say that this applies to the Canadian Pacific railway, but I do know that at one point immediately adjacent to the tracks of the Canadian National Railways in the Fraser valley there are two bridges, one for the Canadian Pacific and the other for the Canadian National. They crisscross the river at the identical spot. Any member from British Columbia knows where that point is, but I am sorry that some of the government and the staff do not know where it is. The trans-Canada highway also passes through there. One box of powder would put those three arteries out of action, and that is the only way there is to get in supplies from our arsenals in Quebec and Ontario and the interior of British Columbia. There would be no way to evacuate the people from the lower mainland of British Columbia, and no way to protect the air fields.

I am sorry that the minister did not know this. I do not claim to be a military strategist; but every person about ten years of age in British Columbia knows it. I do not wish to say what the Pacific defences are; I do not know. But I have a certain amount of common sense; and I know when you have Japanese, the most dastardly enemies we have, including Hitler, right alongside railway tracks, you have a dangerous condition. Our governor general went past there a short time ago, and the Japanese could have thrown a bomb from their car right into his private car, by reaching from one car to the other. Under such conditions we do not have a satisfactory defence on the Pacific coast, so far as the Japanese are concerned.

I should like to know what steps the Department of National Defence are taking to provide both an outlet from and an inlet to the Pacific coast from our arsenals—because the minister knows only too well where they are in British Columbia and elsewhere. I do not wish to be criticizing all the time—although I may have something to say to-morrow in connection with a criticism along another line. But I do say there has been too much time wasted. As one hon. member said the other day, probably he was wasting time; probably

I am wasting time to-night. But I certainly must tell the minister something his staff does not know. I must point out where our trans-Canada highway and our railways can be put out of action by one box of powder by the most dastardly enemy we have to-day, and no alternate route is being provided.

I am very much interested in the free transportation of soldiers. I am interested in this fact, as a supporter of the government, that in so far as I see the matter they have not as yet made any attempt to explain why we can pay a cost of living bonus to some of the higher paid civil servants, and cannot pay it to a mother with four children whose husband is at war. That has never yet been justified by the government, so far as I am aware.

There is another point I should like to make, as an old soldier—probably not a very good one, but nevertheless a soldier. I think I do know something about this, because I know the necessity for discipline. I would strongly urge upon the minister, not so much in his branch of national defence, but in another branch whose expenditures will come before us in a few days, that it is not conducive to discipline to have a bunch of fine young men continuously compelled by the law, as laid down in the King's Rules Regulations and Orders to salute a bunch of senior officers who have never been out of Canada, who never will go out of Canada, who are still pushing pens and always will be pushing pens. If the soldiers in this day and age knew how to adjust it as we did in the last war, they would adjust it in exactly the same way as we privates and non-commissioned officers did. We just ignored them, and would not salute them at all. I want to tell the minister and his staff that no good front-line officer, such as I served with, wants to be saluted. He is not parading around Ottawa at some cease-fire job.

But I am not interested in that point as much as in the other one. I am more interested in coast defence, in a fact which cannot be contradicted by anyone, namely that to-day it is possible for the Japanese to put both trans-Canada railways and the trans-Canada highway out of action with one handful of powder. Apparently no effort is being made by the staff to cover that; and apparently no effort is being made to provide an alternative route either into or out of the Pacific coast, in the event of attack, when that route could be provided for a very small sum of money.

Mr. RALSTON: First with regard to dependents' allowances and transportation, I think we had a lengthy discussion of these matters, and I have noted all that has been said. I would say again, however, in connection with dependents' allowances that whether or not my hon. friend and the committee are satisfied with it, my colleague the Minister of Finance (Mr. Ilsley) in November announced a policy which was intended to cover that very situation. There was provision for a board of trustees whereby emergent, special cases and cases of need of any kind would be looked after. He announced, I believe, that it was far better, instead of making uniform uppings of all allowances, to provide for cases where need arose.

I have not before me to-night figures as to dependents' allowances paid in other places. But I do assure my hon. friend and the committee that our allowances are substantially above any others. I am not saying that they should not be higher still, but I do think that the matter has not been overlooked at all, in respect of the possible necessity for increases, on account of increased cost of living. I have, however, taken the matter under consideration and, as I promised the committee the other day, every attention will be given to it.

With respect to the other point mentioned by my hon. friend, I know the Department of National Defence covers a great many activities. But I do say to my hon. friend that the Department of National Defence does not cover, and does not take on as its responsibility, the evacuation of Japanese from British Columbia, or the guarding of the roads. That is simply impossible. The Department of National Defence is endeavouring to conduct and to prepare for military operations, and to defend against enemy armed forces. What my hon. friend is referring to is civil defence in Canada. Of course I will take note immediately of what he has said because, indirectly, it does affect defence. My hon. friend will understand that we have across Canada in many, many places points which are vulnerable, as has already been indicated. But they are not guarded, and cannot be successfully guarded by soldiers. It would not be a proper thing to do to use up our armed forces for that purpose. Those are police jobs, which are under civilian authorities, and should be controlled by them.

If my hon. friend had read an article some time ago written by J. Edgar Hoover of the federal bureau of investigation in the United States, he would have seen described the best delimitation one possibly could find of the duties of military and civilian authorities in connection with this matter of sabotage, and enemy action of that kind. It was there indicated that the federal bureau of investigation—not the secretary of state for war—undertook those tasks. They were undertaken

not as a federal responsibility, but for the purpose of assisting those who owned plants, or civil authorities who had to do with roads, highways, bridges and things of that kind in order to see that they were guarded.

It is obvious that those places cannot be guarded by having a man walking up and down with a rifle, with bayonet attached, slung over his shoulder. Saboteurs do not come out in the open in that way. If you guarded a bridge in that way you would be more likely to find the saboteur under it than at the entrance to the bridge. All these are police jobs, and I mention it only to indicate to my hon. friend why, from a practical point of view, it is not the job of the Department of National Defence, or of a war department, to look after those matters. It is a civilian job.

Having said that, I wish to say secondly that I am not responsible, and I will admit no responsibility, nor is my staff responsible for the evacuation of the Japanese from British Columbia. There again I am vitally interested, because my hon. friend is quite right that I want to see to it that avenues to and from British Columbia are kept open in order that reinforcements and munitions may be moved in there, and in the most rapid manner. Our plans are with regard to the distribution of troops so that that can be done. I can only say to my hon. friend that I know nothing about the exact local conditions to which he refers, but I shall certainly bring the matter to the attention of my colleagues who have that problem in hand. If there is any necessity for guards or any necessity to move these Japanese from the place in which they are, I shall do my very best toward seeing that it is done. Let me say to him that, as I understand it, these Japanese are in the process of being moved from British Columbia. I understand that the reason why they are in these boxcars at the present time is because accommodation is not ready for them at the place to which they are to go. They are not going to stay there forever by any means. Just as quickly as accommodation is ready, they will be moved.

Mr. CRUICKSHANK: I think words have been imputed to me that I did not say. I do not blame the Minister of National Defence for this; but I do suggest, to use his own words, that any inlet into the province of British Columbia or the Pacific coast is a matter of national defence. I am not suggesting for one minute that the Department of National Defence should police these bridges or roads—

Mr. RALSTON: Or cars.

Mr. CRUICKSHANK: Or cars. What I am saying is that the Department of National Defence should not permit boxcar after boxcar loaded with Japanese to be left along the main inlet, in fact the only inlet to the Pacific coast defences. I am not saying that the Department of National Defence should do police duty, but I think that department should see that the civilian department responsible should move them off the main highway.

Mr. RALSTON: I want to say to my hon. friend in justice to my staff that I thought he was quite unfair when he suggested that the staff of the Department of National Defence were letting us down in that respect. The staff of the Department of National Defence are as vigilant as they can be in connection with the work they have to do, and many jobs have been placed on their shoulders from time to time. When a matter of this kind is brought to my attention, I shall see that it is brought to the attention of the proper minister.

Mr. WHITE: There are two or three matters I should like to bring to the attention of the minister and perhaps I can mention them all at once. The first point is in connection with reinforcements for the army overseas. In bringing up this matter I realize fully that the minister may be rather reluctant to make a statement or to give information on this subject; but at the same time he is no doubt aware, as are all hon. members, that during the past few months several hundred or perhaps several thousand officers, non-commissioned officers and men have returned to Canada from England. I think I am safe in saying that probably all hon. members must have heard the various reports—perhaps they are only rumours—as to the number of available reinforcements with the units and the holding companies in England. Various articles by different people have appeared in the press, and I would refer the minister to the Ottawa *Citizen* of Tuesday, April 28, which contains an article on this matter. I shall quote briefly from it, as follows:

> In a series of editorial articles, the *Globe and Mail* has suggested that many units of the Canadian corps overseas are lacking a proper supply of trained reinforcements. The same opinion was voiced by a man who was a distinguished staff officer in the last war in a recent issue of the Ottawa *Journal*.

And again:

> Captain David Croll, former mayor of Windsor, and a minister in the Ontario cabinet, has publicly declared on the floor of the Ontario legislature that the Canadian army needs reinforcements, and needs them badly.

And again:

> Colonel Ralston, the Minister of National Defence, met these criticisms with a blanket

denial, and said that all the reinforcements requested by the corps commander had been supplied.

In the blue book of April, 1942, at page 14, it is stated that there are approximately 300,000 men in the active army, approximately half of whom are outside the country. If that statement is correct—and I believe it is—there would be in Canada somewhere around 150,000 men who have enlisted in the active forces and who are available to be sent overseas. Within the last two months I believe that a request has been made for a large number of reinforcements to proceed overseas. Could the minister tell the committee if the department was able to fill the quota, because I understand that the number asked for was not sent? I believe that in order to send as many as possible, training centres, district headquarters and other headquarters were cleaned out of men who were stenographers, clerks, storemen or men holding positions of that kind, who, because of their enlistment in the active force, had to proceed on draft.

I realize it is difficult to ask the minister to give actual numbers, but I think the committee should have some information as to whether or not there are sufficient trained active force men in Canada to make up any quota that might be required for overseas service. Perhaps the minister would also tell the committee if in his opinion and in the opinion of his staff officers there are to-day in England, either with the units or with the holding companies, sufficient reinforcements to guard against any emergency that might arise.

The minister has stated the new recruit requirements necessary for the present year for both active and reserve armies. In regard to the men required for the active army in the present year would the minister tell the committee the method by which the quota is established for each district. I understand that in the past the quota has been based upon the population of the district or upon the strength of the reserve army in the military district or upon the basis of voluntary enlistments in the past. Perhaps the minister can tell the committee later on just what he has in mind in setting the quota for each military district for men for the active force.

In regard to the number of men needed for the reserve army, which I understand will be some 50,000, and who are called out under the National Resources Mobilization Act, would the minister tell the committee what he proposes to do after the men in the age limit up to thirty years are exhausted? Is it the intention to extend the age limit to thirty-five years, or is it the intention to call married men up to thirty years who have no children?

[Mr. White.]

In regard to men called up for the reserve forces, I wonder whether this matter has been brought to the attention of the minister. After these men finish their training at the advanced training centres and are allotted to units, in many instances they are not allotted to units from the province in which they resided prior to enlistment.

Mr. RALSTON: Is that overseas?

Mr. WHITE: No, I am referring to the men in the reserve army. For instance, I understand there is a regiment in northern Ontario which has attached to it some 300 men from another province. I realize that it is sometimes difficult to attach men to units from their own province; but with Canada stretching over several thousand miles of territory and the present strain upon our transportation facilities, I submit that if troops were attached to units in their own province, not only would the transportation situation be improved but a great deal of the agitation and deputations and representations made to the minister for free transportation or further reduced fares would be done away with.

I should also like to bring to the minister's attention the case of boys who are to-day under seventeen and eighteen years of age. I understand that they cannot enlist in the active forces, and that under the restricted employment order the selective service officer cannot give these boys a permit to work in restricted trades. This works a distinct hardship upon boys who are unfortunate enough to be around seventeen and eighteen. If they cannot be accepted into the active army I think it is only fair that they should be given every opportunity to do war work or anything else. I do not want to suggest to the minister that the present regulations are a method of forcing them into the army—

Mr. RALSTON: My hon. friend is speaking of boys of seventeen and eighteen?

Mr. WHITE: Yes.

Mr. RALSTON: Was my hon. friend right when he said that the selective service officer cannot give a permit to boys of seventeen to work in restricted trades?

Mr. WHITE: That is what I understand.

Mr. HOMUTH: Boys seventeen and over.

Mr. WHITE: Yes, and I understood the minister to say that a lad could not join the army until he was eighteen and a half years of age.

Mr. RALSTON: He can enlist at eighteen for trade training.

Mr. HOMUTH: But not in the fighting forces.

Mr. RALSTON: He cannot be sent overseas until he is nineteen.

Mr. WHITE: A boy would need certain educational qualifications to go into a trade.

Mr. RALSTON: He would not require any educational advantages which the ordinary boy of sixteen or seventeen would not normally have, just the ordinary school education.

Mr. WHITE: I hope the minister will consider that point because I feel that the regulations work a decided hardship on these young boys.

Some days ago when the minister was speaking about the reserve force units he promised to give a break-down of the number of men in the reserve, which he put at somewhere around 70,000. I asked for a break-down of these men into machine gun, rifle, artillery and other units. The break-down has not yet been given; but in the blue book of April of this year the number in the reserve forces is given at roughly 140,000 men. I have also a return brought down by the Minister of National Defence dated April 20, which I shall have to use because the break-down has not been given, which sets out the expenditure on the reserve forces for 1940-41 and 1941-42. It shows pay and allowances for the reserve army in 1940-41 at roughly $4,200,000, and for 1941-42, at $2,400,000, or just about one-half the amount spent in the previous year. This would indicate that there was just about one-half the number in the reserve army in 1941-42 as in 1940-41.

A day or so ago the hon. member for Winnipeg South (Mr. Mutch) brought to the attention of the minister the fact that non-commissioned officers had to revert to the rank of private before proceeding overseas on draft. I realize, of course, that there are two sides to the picture, that the officer commanding the unit in England probably wants to promote his own men who have served in the ranks. On the other hand, these non-commissioned officers have served in Canada for many months and have qualified, and naturally they do not wish to lose the increased pay which they receive as non-commissioned officers. I hope, before the committee rises, the minister will make some announcement as to whether they must continue to revert to the rank of private before proceeding overseas.

A few days ago the question of the educational standard required for obtaining a commission came up, and the minister stated that the recognized standard was junior matriculation. At that time I rather took from the minister's remarks that he thought I was objecting that people with educational qualifications below this standard had received commissions. I was endeavouring to point out just the opposite, that there to-day are hundreds of deserving men and non-commissioned officers who are quite capable of obtaining a commission who do not possess the educational standard of junior matriculation. In my unit there are two men who never attended high school, but who went over to England in 1939 as sergeants, and after about a year in England were recommended for a commission. They qualified at one of the schools in England and turned out to be two of the best officers in the unit. One of these men has been returned to Canada and is now giving instruction in the most advanced type of 1942 training. There must be hundreds of others in the same position. Would the minister tell the committee whether arrangements have been made whereby the standard of junior matriculation will not be set up to bar men and non-commissioned officers who have the other qualifications necessary to become officers?

Just before the house adjourned for the Easter recess the hon. member for Calgary West (Mr. Edwards) referred to the condition of many recruiting offices. I do not want to mention any particular recruiting offices, but I should like to join with the hon. member for Calgary West in what he said with regard to their general condition.

Mr. RALSTON: This situation has been corrected. It has been changed altogether.

Mr. WHITE: I was going to say that some of these recruiting offices are in a very dirty condition. I would also point out that many recruits are not taken into the army on the day they apply to enlist. To tell a recruit, "come back to-morrow", or "come back this afternoon", is wrong. If you talk to many of these recruits you will find that few of them have money; if they have, it is very little, and the matter of two or three extra meals or a night's lodging is of considerable importance. Nothing is more discouraging to a young boy who has the courage and determination to want to enlist than to be told by an orderly room sergeant, perhaps in a gruff and abrupt manner, "you will have to come back to-morrow; the medical officer cannot take anybody else to-day". I am very glad to hear the minister say that this condition has been remedied.

A few days ago, when I asked the minister about the syllabus used at Camp Borden, he agreed to put it on *Hansard*, and it is printed on page 1891. I am not complaining about

the syllabus; it is perfectly all right; but I mentioned at the time that it might be only a paper syllabus, because it shows, at the advanced training centre, that the recruit fires a rifle 55 rounds, a machine gun 120 rounds, and an anti-tank rifle 32 rounds. On the day the minister was speaking about this matter, he stated, I believe, that he was not sure whether the recruit actually fired the number of rounds set out in the syllabus; but he spoke to the assistant chief of the general staff, who was present, and then stated that he was assured that the men did fire these rounds. I notice in looking over *Hansard* of Friday of last week that the minister stated that the recruit did not have a Lee-Enfield rifle on which to take musketry, but he remarked to the committee that in his opinion the recruit could be trained on the Ross or some other kind of rifle. I would point out to the minister that the only time the recruit has a Lee-Enfield rifle in his hand is when he lies down on a ground sheet at a range to fire his first group of practising.

Mr. RALSTON: Is my hon. friend talking now about basic or advanced?

Mr. WHITE: This is the advanced training centre. At the basic training centre he fires just a rifle. I should like the minister to have inquiries made at Camp Borden and to give the committee an assurance that every recruit who goes through Camp Borden advanced training centre actually fires the number of rounds on a rifle, machine gun and anti-tank rifle as shown in the syllabus which the minister put on *Hansard* at page 1890.

We have had one example of men proceeding from Canada overseas without being properly trained. I understand it was expected at the time the boys who went to Hong Kong were sent there that they would have time to continue and complete their training. At present, any recruit proceeding to England may find himself in action the day after his arrival. I do not think it is asking too much to request the minister to give this committee an assurance that every recruit who goes through any of our training schools does fire the actual number of rounds as shown on the syllabus. The minister, as an old soldier, knows that the firing of a rifle, a machine gun, an anti-tank gun or any other weapon is probably the most important part of the training.

I do not want to bring up again the question of allowances, because the minister has dealt with it quite fully, but there is just one question I should like to put to him. At the time the allowance board set up the rate of pay for the private soldier and the allowance to his wife, an advance was made in the soldier's pay from $1.10 to $1.30. What yardstick was used in setting the pay at $1.30, and the wife's allowance at $30 a month?

A few days ago the hon. member for Peel (Mr. Graydon) asked the minister with regard to the troops on leave who travel from the coast to the centre of Ontario, whether an allowance was made for the time spent in travelling. I am told that no allowance is made. The minister promised to ascertain the facts. If they are as I believe them to be, will he and his department give the matter consideration? I believe the minister will be the first to admit that a boy who lives in Ontario and has to travel there from the coast should not be penalized by having several days taken off his leave.

Finally, I would ask the minister if his department is considering a change in the type of steel hat worn by the private soldier. I have seen illustrations of new types of hats worn by the soldiers of the United States, Germany, France, and Japan.

Mr. RALSTON: I tried to make a note of each question as asked by my hon. friend and at the same time to listen to the next question he was putting, and I hope I have them all.

He asked first with regard to reinforcements. Naturally one must be arbitrary, because it is impossible to predict what will happen, but a scale was arrived at by Canadian military headquarters and the corps commander in consultation with the war office. The numbers of troops called for by that scale are overseas at the present time. My hon. friend will understand that I cannot give him the figures —he will not expect me to—but I can assure him and the committee that the troops provided for at full scale as laid down by the corps commander, and by Canadian military headquarters in consultation with the war office are overseas at the present time.

Mr. WHITE: Would the minister mind telling the committee the various types of reinforcements, what he means by ancillary reinforcements, what he means by holding companies, reinforcements with the unit, or any other ones?

Mr. RALSTON: I am afraid I do not understand my hon. friend. Reinforcements are kept in what we called "holding units" in England, but the name has now been changed to "reinforcement units." There are reinforcement units for the infantry, the artillery, the machine gun battalions, signals and so forth. Some units have reinforcements of several arms, and reinforcements go to the various reinforcement units and from there to the

active units as they are required. A very large reorganization has taken place in connection with the whole system of reinforcement units. As a matter of fact, the establishment of reinforcement units themselves, and the staff for their administration, have been very greatly enlarged in the last few months particularly because of the fact that we are preparing for the new organization which is taking place to provide for a more rapid assimilation of these men and for the better training of them so that they may be available that much more quickly and may be in better shape for the units to which they go.

Mr. STIRLING: Many hundreds are brought back for instructional purposes?

Mr. RALSTON: Yes. That is with regard to the reinforcements. Three or four weeks ago I made a statement which was correct, and I am only repeating to-night what I said then.

Mr. HANSON (York-Sunbury): I am interested in this question of reinforcements, and that is about the only topic which I wish to discuss with the minister to-night. There has been a series of articles running in the press of one of the western provinces; and while I am not vouching for the accuracy of the figures there given, they are based in part at least upon a statement made by the minister on February 10 last and upon statements appearing in the little coloured books that come from the Department of National War Services. The minister will recall that on February 10, as reported at page 449 of *Hansard*, he made this statement:

> In the army to date over 295,000 men have been enlisted and its actual strength is over 255,000.

The difference is accounted for by wastage. Peace-time wastage has been about 40,000 men, and I must say I think that is a large figure having regard to the fact that these men have not been under fire. But I am not disputing the accuracy of that or the reason for it. Later on, as reported at page 451 the minister said:

> It should be remembered that apart from the fourth division and the brigade groups of the sixth division, we have in Canada over 90,000 active service personnel in training centres and elsewhere.

Therefore, according to the minister's figures, there were in the active army overseas a certain number, and by process of deduction I estimate the figure at 135,000. I will not ask the minister to give exact figures; I would not attempt to quote these figures were it not for the fact that he made reference to them, and reference is also made to them in the leaflets "Canada At War." The figures are 135,000 men overseas, and 120,000 in Canada. The figures given by the minister are about the same figures as given by the government publications. The last one I have had occasion to examine is now a little obsolete—February 1, 1942—in which this statement appears:

> The Canadian active army is composed of more than 265,000 men, about half of whom are serving outside of Canada.

A certain number of these men outside Canada were at certain strategic points not in the United Kingdom. I have no means of knowing just how many were in the colonies, but let us say as an estimate—and perhaps I am not very far wrong—that these number 5,000 men. That may not be accurate, I do not know. As I say, I have no means of knowing.

Mr. RALSTON: How many did my hon. friend say?

Mr. HANSON (York-Sunbury): I am estimating that 5,000 were not in the United Kingdom. That would leave 130,000 in Britain. What is the disposition of these 130,000 men in Britain? According to the same report, or one number of this series of reports, it is stated:

> Canada now has in Britain the first, second, third and fifth (armoured) divisions, a tank brigade and a large force of ancillary troops.

That gives a running picture of the troops over there.

> In every division there is a postal unit, a provost company, a field hygiene section, dental detachments, a salvage unit, a mobile bath, and other services to care for the needs of 17,000 men. Behind are a host of corps and army troops numbering at least half the strength of the divisions themselves.

Thus it would appear to me—and I make this calculation myself—that in the four divisions and tank brigades we have approximately 70,000 men, and in the corps and army troops 35,000, or a total of 105,000 men; and the ancillary troops, are, as I apprehend, not connected with the fighting services at all. They are such as the forestry corps, engineer units engaged in tunneling and road building, very large headquarters staffs in London, pay and postal services, and I have seen that estimated at 12,500. These figures are only approximate. They may be away out of line with the truth. I do not know, and I have not taken the trouble to have the figures verified by headquarters, nor have I asked the minister to give them. If, however, I am anywhere near right, it leaves a very small number of men in the holding units for reinforcement purposes in England.

I am not going to ask the minister to give them. He has stated to-night that according to a formula which has been set down—I think I heard him say by a war office corps commander—a certain quota for reinforcements for England, for the fighting forces, had been established and was being lived up to. That is reassuring, but I should like to know whether that quota is based on peace-time activity or war-time activity. That is the vital point which we should know. The minister knows that from 20 to 50 per cent of an army may be wiped out in a single action.

Mr. RALSTON: Oh, no, not an army.

Mr. HANSON (York-Sunbury): Well, a corps.

Mr. RALSTON: Oh, no.

Mr. HANSON (York-Sunbury): Or a division, then, may be wiped out in a single action. The casualties may be very large. I should like to know whether the quota which the minister says has been established is anything like the quota which was in existence in 1918. As I understand the history of that war, we had 100,000 men in the active army on the field in France. We had 100,000 in reserve in the rear and 100,000 men in England as reinforcements. Have we anything like that position to-day? That is the gist of the question which I ask the minister for the purpose of getting information—and I will invite him to go as far as he can without divulging what he may consider a military secret, because if I have asked too much I drop the question immediately. I want him to understand that my question is not for the purpose of causing embarrassment but in order to have a reassurance. The question is this: Is the quota of reinforcement personnel in England, in connection with these holding units, based on peace-time wastage or on anticipated war wastage? If it is based on peace-time wastage, I have no doubt it would be ample; but my anxiety is this: If the Canadian corps goes into action in 1942—and it is quite possible it will go into action in 1942—have we personnel in England, trained men, in sufficient numbers to take care of probable battle wastage?

I want to know first if the quota is based on a peace-time position or on probable wastage after the Canadian corps has been in action. I have some grave doubts, but I do not know; I am asking for information. I say frankly, if the minister cannot give me that information publicly, do not give it, for I do not want to embarrass the authorities. But I think the people of Canada and the people who have sons and husbands overseas would like to have some assurance from the minister that the quota is ample for reinforcements in case there are battle casualties.

Mr. RALSTON: I want to express my appreciation of my hon. friend's approach to the matter; I accept what he says 100 per cent, and I want to go just as far as I can. I have no reservations to make in my mind, but I have reservations to make as to numbers. I know nothing about the number required at any one time; I know the quota is based on such and such a percentage for infantry, such and such a percentage for artillery, and such and such percentages for different arms of the service. That is, experience shows that there are different rates of casualties for different arms of the service. I have just noted here a formula which I think is correct. This is not any cut-and-dried formula, but is based on an approximation by those who, I believe, are competent, the best approximation they can make of what would likely be needed under conditions which can reasonably be anticipated.

Mr. HANSON (York-Sunbury): Does that mean battle conditions?

Mr. RALSTON: Whatever conditions they anticipate; I presume that they took into account the possibilities and probabilities, and that that quota is ample for the purpose. I am talking about those overseas.

In addition, my hon. friend will understand that, as I mentioned the other night, we have in training centres in Canada active reinforcements of over 40,000 as well. I cannot go further than that, but I can tell my hon. friend that the quota and the basis on which it is figured are made by people whom I believe to be competent, in whom I have confidence, and that is the quota we are endeavouring to live up to. I have here the figures of those who have gone over, and they are somewhat in excess of the actual figures laid down. But that is nothing one way or the other because it is an arbitrary figure.

My hon. friend mentioned the last war. It is difficult to make comparisons, but I looked up some figures and I find that at the end of the war, November, 1918, there were in France 153,431; reinforcements, 12,214, and reinforcements immediately available in England, 3,323, or practically 10 per cent immediately available. But there were potential reinforcements in France in considerably larger numbers; I have not the figure before me.

Mr. HANSON (York-Sunbury): What is meant by "potential" reinforcements.

Mr. RALSTON: I do not know; I suppose men in hospital.

Mr. HANSON (York-Sunbury): Men behind the lines anyway.

Mr. RALSTON: My hon. friend must remember that if there is a holocaust or anything of that kind, a lot of men in England have been used for the formation of new units; a number of these are base and line of communication units, and if an emergency should occur, they can be used. But there is the situation in regard to reinforcements, and it has been brought to that state by constant attention. As a matter of fact, the adjutant-general has been giving as much attention to that as to anything he has been doing since he has occupied the post. We are determined that that quota shall be kept up, and if the quota is raised we will go to it.

Mr. HANSON (York-Sunbury): Of course we are all in agreement that this is one of the most important things to which the staff can give attention, the reinforcement of the men likely to be in action.

Mr. RALSTON: There is no doubt about that.

Mr. HANSON (York-Sunbury): I feel relieved to a degree by the assurance given by the minister, even though he cannot give me the actual percentages or figures in relation to the reinforcements overseas. I suppose he gives that on the basis of representations made by his staff, in whom he has confidence, and who of course have no object whatever in misleading him.

I think it would be well to give publicity to this discussion. I am glad I brought it out, because I think it will be reassuring to the people of Canada. If it should happen that this percentage of reinforcements is not sufficiently large, of course it is the task of the staff to raise it.

Mr. RALSTON: We shall just have to bring it up.

Mr. HANSON (York-Sunbury): I hope the officials in making this quota have not been unduly influenced by the fact that the Canadian corps in England has not yet been in action. Surely we must look to the time when a second front is opened in Europe, or whatever eventuality may happen. We must anticipate the time when there will be battle casualties, and the wastage of 1,500 while the troops are not active will have no relation to the wastage in battle.

Mr. RALSTON: I think the second question asked by my hon. friend was with regard to how the quotas were made up and sent to the different districts. Was that for the active army?

Mr. WHITE: For the active army, by military districts according to population.

Mr. RALSTON: There was a table given last November in which the adjutant-general made a statement as to just how these quotas were made up, and I think that applies to-day. I have not asked the adjutant-general except just across the table here to-night, and he tells me it does.

Mr. HOMUTH: That was not on the basis of population.

Mr. RALSTON: No, three things: population, the militia activity in the particular district, that is both the number of active units that have been raised and the reserve units as well; and the recruiting record of the district.

Mr. HOMUTH: Prior enlistment.

Mr. WHITE: I have that table, and I just wanted to know if that would be followed.

Mr. RALSTON: Can my hon. friend give me the reference to it?

Mr. WHITE: I have not *Hansard* here.

Mr. RALSTON: I was going to show it to the adjutant-general. It was made up by one of the young men in his office.

Mr. BOUCHER: While the minister is on that subject could he give the committee any insight as to the scheme of priorities to be embarked on in the future, namely what classes he is calling?

Mr. RALSTON: I am afraid I cannot give the statement to-night. The question of the hon. member for Hastings-Peterborough was what is proposed to be done when the present age limit up to thirty is exhausted, whether we would go to thirty-five in single men or take married men without children. That matter has not been discussed, it is one primarily for national war services, although my department is interested. It will be discussed soon. I can only say that announcement will be made by the Minister of National War Services in due course. If there are any suggestions I should be glad to hear them.

Mr. WHITE: If the minister wants 10,000 men, does he just ask the Minister of National War Services to have that number called up, or has the minister anything to do with the way in which those men are selected and called?

Mr. RALSTON: I think I can say I have not anything whatever to do with the method or way in which they are called up. I make a request of the Minister of National War Services in which I say that I hereby make a requisition for blank men for military training service on the blank of blank, details of which are set out in the annexed schedule.

Then in the schedule I say that I want so many men at the basic training centres at X, Y and Z; the number required of English-speaking, and the number required of French-speaking; so many at such other training centre, and so on, and so on. Each training centre is itemized. That is to say, a distribution is made between the training centres. But there is no statement whatsoever as to the age groups which are to be called.

Mr. HOMUTH: That is up to the Department of National War Services?

Mr. RALSTON: Yes, entirely.

Mr. GREEN: Has the army nothing to say about the age groups which it is to get into the forces?

Mr. RALSTON: No.

Mr. GREEN: Should the army not have some opinion?

Mr. RALSTON: The army has an opinion, in this way, that a proclamation is made on the recommendation of the Minister of National War Services that men are to be called up, up to such and such an age. Within the ambit of that proclamation the Minister of National War Services calls them up.

Mr. GREEN: Can the minister say the numbers of men available in the different age groups? Has the government figures on that?

Mr. RALSTON: I am sure it has, but I do not have them with me. That information is gathered together in two places, namely, the Department of National War Services and, now particularly, by the director of national selective service.

Mr. WHITE: Will the number of men who are going to be called in the next few months greatly exceed the number called in the past year? The return I have, dated April 20, 1942, indicates that there had been only 44,846 called. If there are not going to be more than that called in the next year, you will certainly not exhaust the age limit from twenty-one to thirty.

Mr. RALSTON: My hon. friend must not be sure about that. I am advised, just as my hon. friend is advised, that it will not be long before we shall exhaust the age groups. Up to what date is the hon. member referring?

[Mr. White.]

Mr. WHITE: This is dated April 20, 1942.

Mr. RALSTON: The last call is what date?

Mr. WHITE: It does not say.

Mr. RALSTON: I think it would be April, as my hon. friend knows. Generally speaking, what we are planning for is to train 15,000 or more men a month—that is, 180,000 a year. That is, those who are general service men, and those called under the National Resources Mobilization Act.

Mr. BOUCHER: The minister said there was going to be selection by lot; when does that come into effect?

Mr. RALSTON: I cannot say. I believe that is another announcement which was made by the Minister of National War Services. That announcement was made at the time the proclamation was passed extending the age limit to thirty. I do not know when it is going into effect.

Mr. ROSS (Souris): The Prime Minister announced it in his statement to the house.

Mr. DOUGLAS (Weyburn): The minister referred to the calling up of 180,000 a year for general service, and in the home defence. In what ratios would they be called—fifty-fifty?

Mr. RALSTON: No; as a matter of fact, I am making an absolute minimum of 5,000 a month under the National Resources Mobilization Act. There will always be enough to fill up the 15,000. But suppose there are 12,000 enlisted for general service in the month, I would still call the 5,000 under the National Resources Mobilization Act. I want the committee to understand that we are limited there only by training facilities and instructors. There are not unlimited training and instruction facilities. We are extending our training centres by 50 per cent. In fact we are doing more than that, and in some instances we are going back to the custom at the time of the last war. That is to say, we are taking a unit which is partly trained and sending men to it to train with that unit, after having them paraded at the basic training centre, in order that we may have more training facilities. As a matter of fact, some of the men called are going to special training centres which will have units to take charge of the training.

I am mentioning that only to indicate that we are allowing some flexibility in the matter of training accommodation in order to see to it that all the general service men who are enlisted are trained, and that we

have the minimum of 5,000 men, and whatever more are needed to bring us up to the 15,000 a month.

Mr. DOUGLAS (Weyburn): It will be in ratio of two to one, for the general service.

Mr. RALSTON: Yes, it would be, if it came to 10,000.

Another point with which I have great sympathy is the one raised by the hon. member for Hastings-Peterborough with respect to the allocation of personnel called up under the National Resources Mobilization Act, to units from the territory or province from which they come. I found that situation out west, and there was a great deal of complaint. One Pacific coast unit in particular was feeling badly because the men from the middle west had been sent to it. It was simply a case where there were not sufficient men in that particular area at that time, and that unit had to be filled up, with the result that those men were sent in. That was the unit to whose commanding officer I said, "You are saying that we must have an all-out war effort, but you have a unit here which needs men. Those men are available. It does not seem to me that you should simply turn down these men because they do not happen to be from your particular area, or the area from which your unit comes." I said I sympathized with him sincerely, but at the same time we got through in the last war, and we did not turn our noses up at men from the west in the battalion I knew something about. We did not turn up our noses at men from the Pacific coast, the middle west, Alberta, Saskatchewan, Winnipeg or anywhere else. I am afraid we shall have to take the same attitude to some extent in this war. Let me say, however, that every possible effort is being made to see to it that men are alloted to units from their particular territories, just as far as that can be done. Sometimes operational reasons make it necessary that units be filled with men from other places.

With regard to the men of seventeen and eighteen years, I believe that is really a question for the Department of National War Services rather than for my department. I have said that as far as I am concerned men can enlist at eighteen for trade training. What my hon. friend is suggesting—and as a matter of fact I had forgotten it—is that the regulations which provide that men of seventeen and eighteen must have permits before they can enter restricted occupations, should be changed. I shall be glad to take that matter up with the Minister of National War Services, and see if it can be done. I am in sympathy with it. The ages of seventeen and eighteen are not, I think, on those regulations for the purpose of forcing men to enlist. At eighteen if a man can enlist in a trade it seems a pity to have him go into a non-essential civilian occupation.

Mr. HOMUTH: Under the man-power bill many industries which are employed 100 per cent on essential war work—I have in mind the textile industry, the shoe industry and many others—are classified as non-essential. I realize that the thought behind it is to drive men out of industry and into the army, and to fill their places with women. There is no denying that that is the object behind it. But here are thousands and thousands of boys who will be coming out of the high schools within the next few weeks. They cannot be employed in the industries in which they are so much needed. Those industries are classified as non-essential, whereas they are just as essential as many others. As I have said, the object is to drive men out and to replace them with women.

There is no reason whatever why these seventeen-year old boys should not be able to go into those industries which are working on war work and which are classed as non-essential under the act. They could go in for three or four months and do a very important job. To-day the only thing they can do under the act is to go on farms—the majority of them would be useless—or go into a munitions plant or a plant classified as an essential industry. Most of these boys would be useless in such plants because the type of men required are trained mechanics such as lathe men, machinists and so forth. These seventeen-year old boys are placed out on a limb, and yet these industries which are essential to the war but which are not classified as essential are denied the right to hire them. The industry of which I know the most is the textile industry, and the man-power handicap there has created a serious situation. We could overcome much of this if we had an opportunity of hiring these boys during the summer months, but we cannot; the only boys we can hire are those under seventeen years of age. It would be an easy matter to have an order in council passed to permit industries engaged in war work but classified as non-essential to employ these boys. It is only a matter of two or three weeks before they will be coming out of school and I think such provision should be made.

Mr. RALSTON: What I have said I meant, that is that I shall bring the matter to the attention of my colleague, the Min-

ister of National War Services. I appreciate the last sentence of my hon. friend's remarks, to the effect that this matter should be dealt with at once.

In connection with the request for a breakdown of the reserve army, with the permission of the committee I will not place this on *Hansard* but send a memorandum to the hon. member who has requested it.

With regard to the pay and allowances of the reserve units and the number in the reserve army, I may tell my hon. friend that last year the pay and allowances were limited to 50 per cent of the strength. I am not suggesting that as the reason for the difference in the pay and allowances paid in 1940-1941 and in 1941-42. Some one asked whether there had been any increase in the reserve army, that is, the reserve army apart from the supernumeraries. I said there were about 80,000, but on February 14, the last date on which weekly returns were returned, the exact number was 78,322. The strength on March 31, excluding supernumeraries again, was 91,370, the increase being principally on account of National Resources Mobilization Act men posted directly to the unit—not as supernumeraries. Since that time enlistments have been considerable. Another month has elapsed, and I am sorry that I have not the figures up to date.

Mr. WHITE: Does the minister agree that this system of 50 per cent pay and allowances for the reserve force units should be continued? They have now to pool their pay. If a man gets full pay he receives only 60 cents. I am sure the minister will agree with me that there is no reason under the sun why these reserve force units should be expected to pool their pay. At the end of the training season, instead of a man's pay working out at $1.30, it works out at only 75 or 80 cents. Is that system going to be continued?

Mr. RALSTON: I gave the officers commanding the reserve units on the Pacific coast the assurance that I give the committee now that the present plan for the payment of the reserve army up to strength will be continued. There will not be a cut to 50 per cent.

Mr. WHITE: Every man will get his full pay?

Mr. RALSTON: Unless he pools his pay, and that is a matter for the man. As far as we are concerned, we will pay the men who go to camp.

My hon. friend raised another point which has been raised before, with reference to non-commissioned officers having to revert when they go overseas. My hon. friend has stated as clearly as he could, and better than I can, the reasons why this is done. The obvious reason is that there are men in England who have been working their heads off to obtain promotion, and they feel it is not quite fair that a man should come over with stripes and perhaps take a place in their unit senior to them. My hon. friend asked me to make an announcement, but I am sorry that I cannot. The matter is under active consideration by the adjutant-general in consultation with the overseas authorities. General McNaughton, when he was over here, and the chief of the general staff had a talk with regard to it, because it affects officers as well as men. I certainly will keep it in mind and endeavour to work out some possible solution. That is the most I can say.

With regard to the standard of education required for officers, I agree with my hon. friend that there are cases—he has given instances—where an officer who is not able to meet the standard of education does just as fine, or perhaps a better job than those who can meet it. The requirement for an officer is junior matriculation or some equivalent examination. I have asked the adjutant-general whether any exceptions have been made, but he cannot tell me of any. I will see if there is any possibility of making provisions for special cases. As I have said before, however, the hard cases make bad law. Once you let down the bars you are in difficulty. I do not mean that just with reference to headquarters, because we can stand the headaches if it is the proper thing to do, but you are likely to get into a lot of difficulty and have to face charges of discrimination if you begin to make exceptions.

With regard to recruiting offices, my hon. friend will find me more emphatic than he has been with regard to the necessity of the first place the prospective soldier goes into not being dirty, and being in good shape. I have asked the civilian director of recruiting, Colonel Mess, and the adjutant-general, to keep this in mind. I may say that we have erected in Canada some special recruiting offices of standard design. These will be attractive, and I assure the committee they will not be expensive. They will make up for the odd holes and corners which have had to be used in the past in some instances as recruiting offices. I agree that where possible the medical examination should take place where a man offers himself for recruiting so that he can get through in the one day. If that can be done, it is all to the good. To have an attractive recruiting office and an

attentive man in charge is like having a good looking girl at a switchboard as the first person a person sees when he goes into an office. My hon. friend has spoken of the gruff manner of recruiting sergeants, and I know that there are exceptions in which that does take place.

Mr. WHITE: Where the recruit has to come back to enlist the next day, does the minister not think some provision should be made for his messing and staying overnight? In the city of Ottawa many boys are told to come back the next day. Where are they going to get their supper?

Mr. RALSTON: I find that in the ordinary case they do get their supper and get looked after, but I must say that it is not official. I would think as a general principle—perhaps I am going too far without thinking it over—that where it is due not to the fault of the man but to pressure of work that he cannot be taken care of the same day, some provision should be made for looking after him. I must say that, to be frank.

Mr. NEILL: Would the minister also suggest to his recruiting officers that they should be very careful not to make statements to the men that are not absolutely true? I have at least six cases—too many to be accidental—where the men have assured me that the recruiting officer told them they were subject to certain conditions, and afterwards they found out that it was not so. I was told afterwards that the recruiting officer had no business to make such a statement. I think they should be warned to be careful in what they say and not state the conditions differently from what will ultimately obtain.

Mr. RALSTON: That very point has been emphasized in an order that has been sent out. Somebody may say: "Oh, yes, but the orders are not looked at." Let me say that it was emphasized at the last meeting of the district recruiting officers which was held only a short time ago. It is a fundamental matter, and my hon. friend is perfectly right. There is danger, particularly with an inexperienced recruiting officer anxious to get recruits, that he will become a salesman instead of an adviser. It seems to me that if a man cannot go to a recruiting officer, ask for advice and rely on the information he is given, the recruiting officer has failed in his job. I certainly will see that that point is kept before the recruiting officers. I think the officers we have now pretty well understand it and are living up to it.

Mr. LOCKHART: Would the minister make sure that the recruiting officers differentiate, in speaking to the recruits, between the dependent's allowance for a mother and the dependent's allowance for a wife? The recruiting officers fail to make that distinction, and it causes confusion and disappointment.

Mr. NEILL: Hear, hear. That is what I was referring to.

Mr. CHURCH: I do not know anything that has caused so much confusion among the students attending high schools, collegiate institutes and technical schools in Toronto as the recent rules and regulations made in respect of young people, sixteen, seventeen and eighteen years of age entering restricted occupations in industry and war plants and joining the army. As you know, Mr. Chairman, some of the larger secondary schools of Toronto and of the county of York have as many as fifteen hundred to two thousand day students, while the night classes of the Toronto technical school and the northern vocational school have some 8,000 students. Those of that age are the type of student who want to enlist as soon as they can. They want to help. I was sorry that the minister, owing to hard work, has been unable to come to Toronto and see the work they are doing in these secondary schools, but I know he cannot be everywhere at the same time. In the past month I have seen magnificent parades of the cadet corps of some of the secondary schools in the Toronto district including some of the county of York. The cadet movement has always been the boon of the militia units. I have never seen anything like the parade they put on about half-past eleven or a quarter to twelve in the morning in some schools, marching around the streets near their schools to help to educate the people to a total war effort.

There is a great deal of confusion over the recent regulation as to those of sixteen, seventeen and eighteen in regard to restricted trades and getting into industry. I was talking to the principals of three collegiate institutes about the new orders in council this last week-end and have been receiving letters from citizens on the subject. I know that some of the war industries in the Toronto district are refusing to take on young people of these ages from the high schools because of the regulation with respect to persons from seventeen to forty-five years of age. It handicaps these industries in taking young people on, although they want to because they are good workers in holidays. We have a large number of large and small war industries in the Toronto district and many of the students of these ages at our high schools and collegiates would like to work in them in the summer as in the past so that they can go to university. These young

people are the backbone of recruiting before and during the war for the reserve army. I spoke on their behalf in the last house, when the minister's predecessor was here, in 1936, 1937, 1938, 1939, when many of our young people were riding the rods in the summer looking for work. That is the type of youth that has gone to the war without any compulsion. The oldest regiments in Toronto are filled with youths of that type, sixteen, seventeen and eighteen years of age. Some units pick a particular school; some others form a cadet corps.

I am sorry that this regulation in regard to restricted industries was passed affecting those seventeen and eighteen years of age, and those from seventeen to forty-five. The high schools are nearing the end of the term, and many will be closing about the first of June, or earlier than usual. Many of the young people attending them want to make a little money this summer in order to go to university. I know some of them at North Toronto collegiate, a few at Lawrence Park collegiate, and others at Parkdale collegiate, Malvern, Riverdale and Humberside, and all the other collegiates. I started on the board of education, and I still take a great deal of interest in those attending school and in education work. Some of the fathers of these young people want their boys to go in the army, would rather see them in the army because, owing to the new regulations, they cannot, if of the age of seventeen, get work in the summer. Three youths near where I live in Eglinton riding are affected by these regulations, and rather than take a chance on getting work in the summer they joined the manning pool in the Royal Canadian Air Force last week. I saw them walking on the street yesterday in air force uniforms.

It is a great mistake to handicap our youth of these ages with all these regulations. If we had taken the right methods some years ago—it is not the fault of the present minister that the young people who rode the rods a few years ago did not get a fair deal from parliament—and had adopted an apprenticeship system such as I urged in 1936 and 1937, these young people would have signed up for three years as apprentices with military training and had lodging, pocket money, drill, clothing, and would have been learning some trade in key industries of many kinds. As a result, when the war broke out, we would have had 25,000 skilled mechanics available in the air force alone for service. That was the policy for which I worked hard for three or four years before the war. Some such policy has now been adopted in part in conjunction with the provinces, and that work is going on at Galt and other places of vocational training, in relation to the war, as I advocated prior to the war on many occasions.

To-day there is so much confusion over the regulations that nobody seems to understand them or how they will be applied to the high schools. I have read the regulations; they are most conflicting and confusing, and scare war industries from giving work to those of seventeen years of age, and I cannot advise anybody regarding them. Some young people from our collegiates in Toronto have tried to get into the plants at Toronto and others into small arms plants. Some young people working in drug stores, boys of fourteen to sixteen, who earned $4 a week after school, have been let out. I do not know where it is going to end. Why penalize these youths whose fathers are at the war? These regulations are not fair and proper. I know the minister has taken a great deal of interest in education and cadet services, and I hope he will see that something is done for the youth of our country to clarify these rules which at present may bear heavily on the population of our secondary schools. Some of these of sixteen or seventeen years of age want to go to Toronto university, or to the school of science, but if they cannot work in war plants and make a little money in the summer they cannot go to the university. The various boards of education should have been consulted before any such regulations were passed. Some school boards before the war abolished the cadet movement in the schools, although the government has done a great deal of good work to restore it. I know the present Minister of National Defence would not have struck out the cadet vote when it came before the house four or five years ago, if he had been here because he knows what the militia owe to it. A great many of our young people of seventeen and eighteen are joining the air force as a result of this army rule. They are splendid young people, as anyone can see by the parades such as I saw in Toronto the other day.

Mr. RALSTON: My hon. friend has just reinforced what has already been said on this point. At the moment I cannot say more to the committee than that it had not been borne in forcibly on my mind that this regulation did affect the seventeen-year olds. As I say, it was not in my department, but I was a member of the government which passed the regulation and take full responsibility for it. I realize also that if any change is to be made, it must be made at once, in view of the young people coming out of the schools. I am not

justified in raising any hopes, but I certainly will see that it is discussed with the Minister of Labour, the Minister of National War Services, and the director of national selective service, because I appreciate what has been said and the interest which these young people have in the matter.

The hon. member for Hastings-Peterborough mentioned the syllabus, particularly the firing syllabus, at Camp Borden. My instruction is that it is not a paper syllabus and that these rounds are fired. I rather gathered from what he said that he had some information that they were not being fired. As a matter of fact, the chief of the general staff has been at Camp Borden this week, going through all these training centres—by the way, with Brigadier Weeks, in charge of training. I shall certainly see to it that the objective is met, and that the number of rounds are fired—I do not say the exact number of fifty-six or thirty-two, but what are necessary in order to make these men familiar with their weapons.

My hon. friend said something to the effect, if I understood him aright, that the only time a man had a Lee-Enfield in his hand was when he fired. That is not so, at the advanced training centres.

Mr. WHITE: I remember that a week or two ago I asked the minister about the number of rifles at Camp Borden, and I think he then admitted there were not sufficient for each man. I know that every soldier there does not have a Lee-Enfield. They have a great many Ross rifles that do not have bolts.

Mr. RALSTON: The hon. member is talking about a basic training centre?

Mr. WHITE: Does the minister mean that every recruit in an advanced training centre has a Lee-Enfield rifle?

Mr. RALSTON: No, I did not say "everyone," but I know there are a very considerable number, and I am quite satisfied that it is not only just in firing that the man at the advanced training centre has an opportunity of handling the rifle.

Mr. WHITE: Is the recruit taught his musketry on a Lee-Enfield rifle?

Mr. RALSTON: Is the hon. member talking about basic?

Mr. WHITE: We will take the advanced. I think the minister said there were no Lee-Enfields on basic.

Mr. RALSTON: Oh, there are plenty of Lee-Enfields on basic. I was disputing with the hon. friend for York West the other day with regard to Ross rifles. He was suggesting that there are a great number of Ross rifles at basic training centres. I find that at perhaps one-fourth of the basic training centres there are Ross rifles, but at the rest there are Lee-Enfields, that is the ·30s. There are enough at a great many of the basic training centres to give training to practically every man. The Lee-Enfield is used in all but about nine of the thirty-seven training centres.

Mr. STIRLING: But besides that, there are Springfields in a number of them, are there not?

Mr. RALSTON: I called them Lee-Enfields; I meant the Springfields. The ·30 rifle is a Springfield. I understand that these rifles are at all of the basic training centres excepting nine. My hon. friend asked me if I said that there is a rifle for each man. There is not a rifle for each man at the advanced training centres, and my hon. friend will realize that probably it is not necessary that there should be. But I should be happy to show him these figures, and I am sure he would be quite reassured to learn how many rifles there are. I am sure there are plenty to enable every man to have not only an opportunity to handle them when firing but to handle them at regular musketry work.

Mr. MAYHEW: There are a few matters upon which I should like to get some information which would be of some encouragement to the people of British Columbia, particularly those on Vancouver island.

The minister during the Easter recess spent a week on the coast—and I assure the committee it was a very busy week—visiting the different army quarters, conferring with the officers and the staff. I am sure there was not very much that he left out. Nevertheless I want to bring a couple of points to his attention.

We on the Pacific coast are satisfied that in the four-man command which has been set up we have four excellent men. We have confidence in their judgment, and we believe that they are attentive to their duties. We should like to feel, however, that the recommendations which are made by the men in the field are carried out as far as it is possible for Ottawa to do so. Occasionally we hear from a man who has recently been discharged—those who are still in the army do not complain to one like myself—that if Ottawa would carry out the recommendations given by the senior officers on the coast we would have much better protection.

I know that the protection upon the Pacific coast has greatly increased since December.

I am sure the minister was well satisfied with it by contrast with what existed there just a few months before. He has assured us that the two coasts will get full consideration as far as it is possible to furnish them with supplies of both men and material. He is not a man to make statements which he does not intend to carry out, and in that regard we are, I think, generally satisfied. We hope that supplies will increase considerably as the national production increases.

We are particularly pleased with the announcement he has made as far as the reserve army is concerned. Up to a short time ago that force was not very welcome; it did not get much encouragement unless it was producing recruits for the active army. During the Easter recess I asked the general officer commanding if he would give me a list of the units and the number of men of which each unit was short. This he did, and I undertook to see some of the civilians in Vancouver island between Victoria and Nanaimo to ask them if they would make it their job to see that these units were filled up. Invariably the statement made to me was, "Give us a definite job to do. Let us know what it is. If they will agree to give us supplies, we will see that every unit is filled, and more too." In one place where they had only a platoon, when I asked them if they would see that it was filled up, they said, "Yes. Get away from the idea that we are a recruiting centre, and we will not only fill up this platoon but give you a company from this one point."

It is said by some that the industrial people were not quite prepared to get behind the reserve army because it interfered with the operations in their plants. That is hardly a fair statement. The manufacturers in British Columbia are prepared to assist in seeing that their men go to the camp even if it does disturb their operations considerably, but there is one handicap in that. Once they start recruiting in a plant, nearly all the men want to go to the one unit, which means that out of 100 or 200 men you are apt to have twenty or twenty-five men going at one time to the camp, and that is a serious drawback. If there were some way of dividing up so that the men would go to the camps at different times, it would relieve that situation considerably.

The situation I want to speak of concerns our police. In British Columbia we have the Royal Canadian Mounted Police, the provincial police and the municipal police. They work very well in peace time, but what is going to happen when a strain falls on the police force in case of a raid or under some unusual circumstances? Who will actually control the police force at that time? There should be one head, and the question should be settled now instead of waiting until the condition actually arises to decide who is to take the lead. The principle of one command is recognized, and there should be definitely one command as far as the police force in British Columbia is concerned.

Again, we have another group of voluntary men on the island known as the rangers. Recently they have recruited, and they have now a strength of about 6,000 men who are ready to step in behind the regular army, the reserve army, under the British Columbia command. These men are centred around the forest rangers camp, the wardens and the loggers, and they are men who know every road and trail across the island and who can be very valuable in case of attack. I wonder what support this government is giving to these men who call themselves rangers? What support will the government give them to make sure that they are a useful adjunct to the defence of Vancouver island? It will be noticed I am not worrying about the other part of Vancouver. They do not need to worry; the Japs will never get past us. We are trying to build up a protective force. The hon. member for Vancouver South (Mr. Green) smiles.

Mr. GREEN: I hope the hon. member is right.

Mr. MAYHEW: I think they should be given some encouragement. We have, in addition to that, a situation which I think is more serious than almost anything else. I refer to the danger of forest fires. If the enemy come, they can sweep over the island from north to south, drop leaflets, and set the whole island on fire, and it will take more help than we have in all our forces to fight such a fire, to say nothing of defending the island itself when that occurs. There is only one other source from which we can draw our supply, namely from the ordinary civilians, and I think something should be done now, envisaging the worst that might happen to us—not simply what may happen, but what is very likely to happen. I suggest that the last man on Vancouver island should be called or at least should be available for the purpose of fire-fighting. I make that suggestion to the government, or whoever is responsible for it. Here again there is the danger of not knowing just who is to assume the responsibility in case the need arises. Forest fires we have every year more or less, but if one should occur in the volume that might be expected from the enemy, it will take every man to fight it. There should be

some one to say, "Your businesses are closed up; you must only provide protection enough for that. The rest of you must go and fight the fire. There is transportation to be taken care of and there is equipment for the men who go to do the work." Where is that direction to come from? Who is to give the instructions? Who is to provide the food? We have no field kitchens. Who will provide hospital care? There are not sufficient ambulances. There are many things that have to be taken into consideration, and that should be organized now. If this government is not responsible, then the responsibility should fall upon some one person. I know that in case of a forest fire the provincial government has the right to call out every man in the province to fight it, but is the provincial government going to assume that responsibility if the fire is the act of an enemy? I call the attention of hon. members to these matters not to alarm the people at home but to point out that this is a possibility which should be prepared for now, and that we should not wait until the time actually comes when action is needed. We must not take the attitude, "You first, my dear Alphonse; after you, my dear Gaston." It must be the responsibility definitely of someone now to make these necessary arrangements; for who is there who will say that it is not going to happen? If we can get some assurances on this point, it will be a great relief to the people on the island.

Mr. STIRLING: Does the hon. member look upon it as a four months' menace—June, July, August and September?

Mr. MAYHEW: June, July, August and September.

Mr. STIRLING: A four months' menace.

Mr. MAYHEW: Yes.

Mr. POULIOT: Has the minister some information to give regarding E 615180, a soldier who had six months' leave from the Department of National War Services at the beginning of April but was never notified of it, and instead of that was sent to Nanaimo, British Columbia?

Mr. RALSTON: I have not the last report, but what I find is that the soldier was recommended for postponement, that the postponement was approved at national defence headquarters, that the approval went to the district, and that the young man was in a unit which, as I remember, was ordered to the west. He was sent in the unit to the west, but there was a mistake of some sort or another which I am having investigated. The recommendation was not held up. It was accepted as recommended.

Mr. POULIOT: Mr. Chairman—

Mr. RALSTON: If I may be permitted, I am giving my hon. friend all the information I have from memory, and I shall probably have to report tomorrow fully what occurred.

I want to go on to deal with one or two other points, if my hon. friend will permit me. I wish to finish two other points made by the hon. member for Hastings-Peterborough. One was regarding pay and allowances. He asked what yardstick was used whereby pay in this war was fixed at $1.30 whereas it was $1.10 in the last war. I am sorry I cannot tell my hon. friend. As far as the purchasing power of the dollar is concerned, that probably was higher in 1914 than in 1939. Why the increase was made to $1.30, I cannot tell at the moment.

With regard to troops on leave he asked that some consideration be given to the fact that troops travelling a long distance have their leave cut into by the time taken in travelling. I am advised that no official allowance on account of distance is made to troops going on ordinary leave, but there is frequently an unofficial allowance made by the officer commanding the unit, who perhaps lets a man go on Friday night and gives him the week-end extra to his leave.

With regard to embarkation leave, two clear days at home are provided for and expected.

With regard to steel helmets, that matter has had and is having particular attention. My hon. friend will understand that it is something we cannot change until we are sure we have a better pattern. Patterns are being examined in Great Britain as well as here, and as soon as something is arrived at under proper tests which seems better, we certainly shall do our part in seeing that consideration is given to its adoption. The question of material of course enters into the manufacture of large numbers of these articles.

Mr. WHITE: When I asked the minister about the yardstick used in raising the rate of pay from $1.10 to $1.30, the point is that last November the Minister of Finance (Mr. Ilsley) in his statement said the question of this increased pay for the soldiers and cost of living bonus was under consideration. I take it from what the minister said that it is still under consideration. I would think that the first thing we should know is how

they arrived at the $1.30 and the $35 a month, on what standard it was based; that would be the first thing in deciding whether or not there should be an increase. Perhaps before the minister is finished with the committee he could give some further information on that point.

Mr. RALSTON: All I can say is that both the pay and the allowances were the subject of study by a committee supposed to be familiar with the matter, from the point of view not only of finance but of the services as well and some outside agencies, and the regulations were just completed, as I remember, shortly before the war broke out. The basis on which the differences were arrived at I am not in a position to say. But I understood my friend to say that the Minister of Finance last November intimated that the cost of living bonus for dependents was under consideration. I think the Minister of Finance is of opinion that the result of that consideration was given when he announced the appointment of the dependents' allowance board of trustees and the special provisions there. I have indicated that those questions are never closed as far as consideration is concerned, and it is I who am saying that matter is under consideration in view of representations made. However, this consideration is not a continuation of the consideration given by the Minister of Finance. I think he considered it was dealt with when the conclusion was arrived at which he announced on that occasion.

Mr. WHITE: Would the minister care to give his own opinion on the question of increased allowance and cost of living bonus? Would he tell us what he thinks as an old soldier?

Mr. RALSTON: I am afraid I would not care to. My hon. friend will understand it is a government matter.

Mr. WHITE: But I have heard the minister speak about his own old battalion. Would he not tell us his views as an old soldier?

Mr. RALSTON: I am not going to give any opinions without prejudice to-night.

The hon. member for Victoria (Mr. Mayhew) mentioned several matters in regard to the Pacific coast. I think I have said all I can about that. I appreciate his remarks about my having been out there. I certainly felt that the trip was worth while from the point of view of learning more of the job, as well as meeting many citizens whom it was a pleasure to meet and from whom I got a great deal of information and, if I may say so, some advice. My hon. friend intimated that I was satisfied. Perhaps he did me an injustice there. I did not say I was satisfied; I said the situation was better than I expected, but not as good as I desired. A good deal has been done since that time as to plans for the defence of the Pacific coast. The statement made here to-night, particularly with regard to anti-aircraft protection, brings to my mind that a great deal has been done and is being done in that respect, quite apart from the disposition of large numbers of troops at what we regard as strategic points.

The hon. member mentioned the reserve army. I appreciate what he as an employer says about the interest employers are taking in that organization. Without them it cannot succeed; with them it can be made a great success. I do not know of any employer who sets a better example than my hon. friend, if he will permit me to say so, in the way of interest in matters of that kind.

He has spoken about having the attendance at camps staggered. He did not use that expression, but he suggested that we have it so that all men who are employees in one industry would not have to go at one time. That is a matter now under study by the district officers commanding; it has to be arranged by them, and I shall see that General Alexander has his attention called to it from headquarters, as no doubt it has been by those who are interested in the reserve units out there. I am sure some way could be arranged so that the largest possible number of men can be got to camp.

With regard to voluntary groups and the organization on the Pacific coast the hon. member embarks on another field. I want to repeat what I said earlier in the evening, that the Department of National Defence can only take on so much. I do not want to evade responsibility. There may be some responsibility on the government, particularly in connection with the matter of fire fighing battalions to which the hon. member gave most attention. That matter is under consideration at the present time; but it is not the Department of National Defence that has to do with it; it is a civilian undertaking, and must be done, I think, under civilian auspices. Without attempting to "pass the buck," I know the Minister of Pensions and National Health has the matter actively under consideration in connection with air raid precautions.

With respect to the unification or coordination of civilian efforts on the Pacific coast, there again it is a matter for civilian authorities and not the military, although I tried to do my share by seeing that General Alexander

was given full authority under defence of Canada regulation 32 to act for me in connection with any matters in which the Minister of National Defence is given authority. I agree with my hon. friend thoroughly that there must be organization, there must be coordination, there must be one head, to be ready for an emergency. But I believe there can be got together, if there is not already, and as a matter of fact I think there was among the civilian bodies out there a definite organization which knows what there is to be done and what to do if an emergency comes. I can assure my hon. friend that the general officer commanding in chief of the Pacific command has authority, interest, sympathy and, I am sure, has the cooperative spirit to have the army do its full share in connection with any emergency of that kind.

Progress reported.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Tuesday, May 5, 1942

The house met at three o'clock.

WAR EXPENDITURES

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Mr. ALPHONSE FOURNIER (Hull) presented the first report of the special committee on war expenditures, and moved that the report be concurred in.

Motion agreed to.

JUDGES ACT

JUDGES TO BE BOUND BY DECISION OF COURT OF FINAL APPEAL

Mr. T. L. CHURCH (Broadview) moved for leave to introduce Bill No. 67, to amend the Judges Act.

He said: Judges appointed under this bill are to be bound by the court of final appeal.

Motion agreed to and bill read the first time.

CENSORSHIP

CENTRALIZATION AND COORDINATION—APPOINTMENT OF DIRECTOR

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, at an earlier part of the session there was considerable discussion in the house with respect to censorship and its more effective control. I wish to inform hon. members that as a result of the government's decision to provide for greater centralization and coordination between the various branches of censorship, the office of director of censorship has been created. I am pleased to announce that Colonel O. M. Biggar has been appointed to fill this new and important position. Under the arrangement previously existing, each branch of censorship was under a different minister with a separate staff. The chief postal censor was responsible to the Postmaster General; the chief telegraph, cable and telephone censor was responsible to the Minister of National Defence; the press censors to the Secretary of State, and the radio broadcasting censor to the Minister of National War Services. A degree of integration existed, inasmuch as there was a censorship coordination committee of which the Minister of National War Services was chairman, but with the increased scope and growing intensity of the war this has proved to be inadequate.

In future, all divisions of censorship will be placed under the Minister of National War Services. The director of censorship will be the administrative head of the new organization and will be responsible to the Minister of National War Services. The present chief officers of each of the branches of censorship will become assistant directors in respect of their particular fields.

As a result of this reorganization a consistent policy for all aspects of censorship will be more readily maintained. Overlapping in effort will be removed. From the point of view of preventing leakage of information valuable to the enemy, and for the purpose of securing information for intelligence purposes, it is expected that the centralized system will be more effective. The central authority will also be valuable in relations with the United Kingdom and United States censorship authorities, each of which is under unified control.

Censorship plays a vital part in the war effort. Its conduct requires, in the highest degree, judgment, skill and devotion to duty. I should like to say that the government is highly appreciative of Colonel Biggar's acceptance of the arduous and responsible duties which he has been asked and has undertaken to perform. Colonel Biggar will continue to act as chairman of the Canadian section of the permanent joint board on defence.

Mr. COLDWELL: Is Colonel Biggar still acting on the joint defence council?

Mr. MACKENZIE KING: Yes he is, and will continue to act.

Mr. COLDWELL: The Prime Minister does not think the work is too arduous for one individual?

Mr. MACKENZIE KING: I have discussed that with Colonel Biggar and I am sure that he will be able to fill both positions.

Mr. COLDWELL: I think the appointment is satisfactory; I am not complaining about that.

Mr. HANSON (York-Sunbury): Who are to be the assistant directors? I know of two, but are there not more than two?

Mr. MACKENZIE KING: The various ministers could answer for themselves.

Mr. RALSTON: Major Yuill is telegraph and telephone censor.

Mr. MULOCK: Mr. Jolliffe is chief postal censor.

Mr. THORSON: Colonel Landry is radio broadcasting censor.

Mr. McLARTY: The press censors are Mr. Eggleston and Mr. Charpentier.

THE MINISTRY

REPRESENTATION OF THE PROVINCE OF QUEBEC

On the orders of the day:

Mr. LIGUORI LACOMBE (Laval-Two Mountains): I should like to direct a question to the Prime Minister. Is the appointment of a minister from the province of Quebec, in order to give that province its proper representation in the cabinet, still being considered by the Prime Minister?

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend asked me that same question a few days ago, and I now give him the same answer.

WAR APPROPRIATION BILL

PROVISION FOR GRANTING TO HIS MAJESTY AID FOR NATIONAL DEFENCE AND SECURITY

The house resumed from Monday, May 4, consideration in committee of a resolution to provide sums not exceeding $2,000,000,000 for the year ending March 31, 1943, for granting to his majesty aid for national defence and security—Mr. Ilsley—Mr. Vien in the chair.

Mr. RALSTON: Last night the question came up as to whether students of seventeen and eighteen years of age could not be permitted to take employment through the summer holidays notwithstanding the provisions of the order in council which requires a permit before they enter restricted occupations. I have procured from the director of national selective service the explanatory notes which have been issued by him for use by the selective service officers throughout the dominion, and I find from that, and am also told by his office that: in respect to students seeking employment during the summer holidays, the policy to be followed will be that of giving permits limited to the duration of the school, college or university holidays. If these young men are needed for munitions work they should be directed to such work rather than be allowed to enter a restricted occupation by permit. A permit should not be given to a student who normally follows agricultural pursuits—for example, a farmer's son—if he is needed on the farm. If the refusal of a permit to a student would mean that he would be prevented from securing employment the permit should be issued.

I take it that, in effect, the students of seventeen who were mentioned last night are automatically, if I may put it that way, granted a permit if they apply for it for the purpose of taking employment in the summer vacation.

Mr. BENCE: I should like to ask the minister some questions with respect to the two orders in council which have been passed governing the reconditioning of men. The first order in council, P.C. 2229, relates solely to those called up under the National Resources Mobilization Act, and the second one, P.C. 2291, refers only to men who are called up for active service. As I understand P.C. 2229, the order in council with respect to the calling up of men, it consists of two parts. The first part provides that men who have been called up under the regulations and have not been notified to report because of some physical condition which does not require remedial treatment may now be forced to report if the provision of glasses, dental treatment or nutritional improvement is all that is required. The second part of the order in council provides that where the physical condition is due to some condition that requires active remedial treatment in hospital, the men may be notified to report to the Department of Pensions and National Health and then be afforded the opportunity of taking the necessary treatment to correct existing defects.

In connection with the first part of the order in council I should like the minister to explain what is meant by the provision of glasses. There are widely different reasons for the wearing of glasses or what are more correctly called correctional lenses. Some people are helpless without these correctional

lenses, while others can get along very well without them for a comparatively short time, and some for a longer time. I should like to have an explanation as to the degree of correction that is intended to be covered by the regulations under this order in council, P.C. 2229. I have this in mind. I understand that if a man's eyesight is defective up to a certain point he is refused enlistment for active service. I should like to know whether the regulations to which I have referred cover such a case, and whether they cover all cases in which the provision of glasses would bring a man's vision back to normal. A man may be put in category C, for instance, or some other category such as C1—I do not know exactly which one—because his vision is defective without glasses, whereas with glasses he might have the normal vision required for category A men. Would these cases come under the provisions of the order in council? If so, why is not the same provision made with respect to men enlisting for active service? In view of the fact that these men are being called up, and that by virtue of the plebiscite vote there is a possibility of their being sent to any theatre of war, I should like to know whether men who are suffering from defective vision will be included among those who will be sent on active service to any theatre of war.

I would urge upon the minister that he reconsider the whole question of categorization in respect of all men who are now being refused enlistment for active service because of defective vision, if the provision of glasses would bring their vision up to normal. I urge that for this reason. I understand that in the last war the vision standard required was not as high as it is to-day, and it seems to me that before this war is over the requirements will have to be lowered with regard to the degree of vision that a man must possess without glasses. If there is any real possibility of that, I submit to the minister that the change should be made now; otherwise men are put in the embarrassing position of not being able to enlist for active service to-day who when the war has gone on for some time will be eligible for such enlistment. If these men are eventually going to be able to enlist for active service I suggest that the requirements be lowered to enable them to do so now.

Furthermore it is provided by P.C. 2229 that men needing glasses or dental treatment or nutritional improvement may be called out. But the order in council says nothing about providing them with glasses or dental treatment. Is it intended that the men who are called up under this order will receive the glasses or dental treatment required?

I should also like to know something in connection with the second part of the order in council, which provides that where the physical condition of the man requires active remedial treatment in hospital, and the medical authorities certify that he is sufficiently mendable to permit of his being within a reasonable time placed in a medical category in which he would be acceptable for military service, he may be notified to report to the Department of Pensions and National Health.

Mr. RALSTON: Would my hon. friend give me the reference? I think he is reading from the orders in council appearing on the *Votes and Proceedings.*

Mr. BENCE: Yes, I am referring to P.C. 2229, which appears at page 14 of the *Votes and Proceedings,* of March 24.

Mr. RALSTON: I have not the orders in council under my hand. That is why I asked for the reference.

Mr. BENCE: In connection with the second part of that order in council, is that a purely voluntary proposition on the part of the man who is notified to report to the Department of Pensions and National Health, or are any compulsory features involved in it?

Mr. MACKENZIE (Vancouver Centre): So far as operations are concerned it is voluntary in both cases.

Mr. BENCE: Under both orders in council?

Mr. MACKENZIE (Vancouver Centre): That is so far as our department is concerned.

Mr. BENCE: In connection with the whole matter of medical standards generally, would the minister briefly describe the difference between the medical standard set for enlistment in the active army and that set for men who are called up under the National Resources Mobilization Act, and the extent to which the qualifications for the various medical categories have been altered since the beginning of the war? I mean, wherein are there differences between the standards with respect to men who qualified under medical category A at the beginning of the war, and those applicable at the present time? Is there any difference? Have the standards been lowered with respect to various matters, eyesight being one of them?

Mr. RALSTON: I remember that in answer to the hon. member for Parkdale I made a statement with regard to certain changes which were made—I think in two respects at least. One was with regard to sight and the other was with regard to hearing. The two changes are reported in *Hansard,* and if I get an opportunity to look it up I will refer my hon. friend to them.

Mr. BENCE: In connection with order in council P.C. 2291, respecting the reconditioning of men who have volunteered for active service, what is the satisfactory undertaking in writing in suitable form which is referred to in section 1, subsection (e) of the regulations, and what provision is made in the event that the man refuses, after giving such an undertaking, to take the necessary attestation to go on active service?

Also, has the department a record with regard to the men who have been discharged from the army since the beginning of the war, to the number of 40,000—I have not the exact figure, but I believe it is in excess of that—and whom it reasonably hopes to recondition under the provisions of P.C. 2291? Also, how many men have been called up under the National Resources Mobilization Act to whom the provisions of order in council 2229, respecting their reconditioning, would apply? Also will the minister tell us when the provisions of those two orders in council came into effect or are to come into effect?

Mr. RALSTON: If my hon. friend will let me interrupt him here, he is asking me about two orders in council which were passed on the recommendation of the Minister of Pensions and National Health, with my full concurrence and with the collaboration of the Department of National Defence. The orders in council are in effect now. The officers of both departments are busily engaged, and have been since the announcement was made, in working out the procedure with regard to both those orders in council and making the regulations. Hon. members will understand that we have to work out the procedure. In the first place we have to come to an agreement as to what disabilities, generally speaking, are "mendable", to use the expression which appears in the order in council. That has to be done between the doctors of the Department of Pensions and National Health and the army doctors, in order that the army board which is examining the particular individual may know whether it is worth while to refer that man to the Department of Pensions and National Health to be mended. The procedure is being worked out also with regard to the possibility of having on that board a doctor from the Department of Pensions and National Health. The next thing is the matter of the concentration of these men, where they are to go; and I understand quite a number of details have to be worked out.

Mr. HANSON (York-Sunbury): Is the scheme functioning yet?

Mr. RALSTON: It is functioning to this extent: in cases which are apparent, the Department of Pensions and National Health is taking them over, but I would not say that any large number have been received so far because the regulations have not been completed.

On another point which my hon. friend asked about, namely, the form of undertaking for voluntary enlistment, I have just asked the adjutant general, and he tells me that this is a part of the regulations and that the regluations are under discussion between the two departments.

Mr. BENCE: Before the minister goes on, I have just one more question, and it has relation to the point he is covering now. How far and in what form are these regulations being publicized?

Mr. RALSTON: They have been tabled here; that was done at the time the Prime Minister made the statement on man-power. I do not know what steps are being taken by the two departments to publicize them, but of course that would be part of the plan which is being worked out.

Mr. BENCE: I was thinking how important it was in connection with recruiting stations, advertising, the putting out of posters, and things like that.

Mr. RALSTON: Of course the way to publicize them is to have the medical board fully informed as to what rights a man has.

Mr. BENCE: A man might be suffering from hernia, for example, and if it was publicized that he could receive treatment, probably he would make himself available immediately.

Mr. MacINNIS: May I ask a question in connection with these two orders in council?

Mr. BENCE: I wonder if I might have answers to my questions.

Mr. RALSTON: I will do the best I can with the very limited information I have at my disposal. My hon. friend is asking about technical matters with regard to medicine. I do not profess to be an expert, and I have not one of the medical officers here at the moment.

My hon. friend asked first, I think, whether the same provision was made for treatment of minor defects for active service men as for the home defence men. The answer is yes. That is to say, there are certain things in the way of provision of glasses, dental treatment and matters of the kind which are afforded for both the active service men and the home defence men.

My hon. friend asked what is meant by the provision of glasses. All I can say is this: the regulations with regard to the physical

eligibility of men for service and the standard which has to be reached in connection with the different categories are all set out in a routine order which I had here the other day and which was referred to by the hon. member for Parkdale. As I understand it, the provision is that for eligibility, at least for category A, a man has to be what they call 20/20, which is practically perfect vision, with glasses, if necessary.

There is a certain deterioration or defectiveness allowed for, provided it can be cured with glasses. That degree of defectiveness I shall have to get exactly by referring to the routine order which will be here in a few minutes. It is asked whether it is intended that they should receive dental treatment. The answer is yes. There will be comparatively minor treatment such as will be necessary to put the men in shape to be properly categorized. The question was asked whether the right to be mended was voluntary on the part of the man called for service. The answer is yes. My hon. friend asked the number of men to whom reconditioning would apply, that is to say the number of men who have been called up for service and rejected in the past and to whom reconditioning will apply. I cannot give the faintest idea of that at this stage. It will require examination of the medical boards with regard to those who have been rejected in order to see the cause of rejection.

Mr. BENCE: Can a man be called up under the National Resources Mobilization Act who has a greater degree of defective vision than one who can enlist for active service?

Mr. RALSTON: I do not think so, but I will not say without having definite knowledge from the medical officer. If the man is in category A he is in category A whether for home defence or for active service.

Mr. BENCE: Provision is made for such a man to have glasses which would correct his vision and make him subject to call, whereas the man who applied for active service might have perfect vision with glasses but might be put in category C or E with glasses off. I want to know if there is a distinction.

Mr. RALSTON: That was the first question I answered. There is no distinction. The same mending for these preliminary defects is available to men both for active service and for home defence.

Mr. HANSON (York-Sunbury): The same standard prevails.

Mr. RALSTON: Yes. My hon. friend asked one other question which I do not recall.

Mr. BENCE: I asked several questions with reference to the number of men who the department estimates might be available as a result of reconditioning orders. I asked whether they had any record in respect of men discharged from the army, and the minister answered with regard to men called up.

Mr. RALSTON: I have not the record, and I do not know whether there are any records extant which would give that—that is, records which have been collated. The Minister of Pensions and National Health has the collation of the cases of discharge, but I doubt whether they are sufficiently detailed to indicate the degree of defectiveness so as to enable one to ascertain whether the men would come under the mendable clauses or not.

Mr. MacINNIS: As has been pointed out by the member for Saskatoon City, order in council P.C. 2229 makes provision for the reconditioning of persons called under the National Resources Mobilization Act of 1940 and who are found unfit. Order in council P.C. 2291 makes provision for reconditioning of persons who have volunteered for active service and have been rejected for slight physical reasons. Is it intended to extend these services to persons in civil life or to persons who may be required for work in war services? The problem of the availability of sufficient workers is one that is becoming of increasing difficulty. The Minister of Munitions in a committee the other day said that he could place at the moment 6,000 men if he had them, 1,000 at Sudbury and 5,000 at Arvida. I have seen certain official communications in reference to the employment situation in British Columbia, particularly in the logging camps, which lead me to believe that the situation is getting acute there. There are many men and women in Canada who, because of physical conditions which could be corrected by better nutrition or dental services or by medical attention, and who could play a useful part in the economic life of the country, in our war industries and in civilian industries as well, are not to-day taking their share of the burden of work, and this is a direct loss to the country. It also accentuates the fact that we put far more emphasis on the fact of having people fit for military service than on the importance of having people fit to perform ordinary civilian services. I think that some member of the government ought to be able to answer this question. As the situation is at the moment, it is retarding the actual and potential war effort of the country.

Mr. RALSTON: As my hon. friend has anticipated, that is a matter which is not in my department, but the Minister of Pensions and National Health is here and he might give what information he can.

Mr. MACKENZIE (Vancouver Centre): All I can say is that the department has been giving for some time attention to what might be termed a national fitness measure along the lines suggested by the member for Vancouver East. The two orders in council to which he has referred apply only to those who have enlisted, have been called up under the National Resources Mobilization Act, or have volunteered for active service, and naturally they must be quite limited in application. The member for Saskatoon City asked about the percentage which could be made mendable by this process. It would not be large, between 10 and 15 per cent, even as regards minor defects. As regards major defects, which would come under the Department of Pensions and National Health, it would not be more than 2 or 3 per cent, according to the estimate of medical officers. With regard to the larger measure which has been envisaged, and which would be for the use of the country to train men in habits of physical fitness, it is now being considered, but I cannot announce a definite policy.

Mr. HANSON (York-Sunbury): That is a large order. What is considered to be a major defect? I do not want to get down to individual cases, but I have in mind a man in the air force with a hernia. I have written to the minister about this case. Is a small hernia a major defect? The public ought to know, and the soldiers themselves should know just what the plan encompasses.

Mr. MACKENZIE (Vancouver Centre): There are different conditions of hernia—I am not speaking as a medical man. In the great war operations were frequently carried out and the hernia condition remedied, following which the men went overseas, stayed some years and rendered excellent service. In this war medical opinion is against major operations for hernia. That is the prevailing opinion of medical advisers in our department at least.

Mr. COLDWELL: In view of the number of men being called up and the fact that the Minister of Munitions and Supply the other evening spoke of the shortage of men, I wish to refer to a matter which I think has not been given sufficient attention by this committee. It involves all three defence departments and the Department of Munitions and Supply also. If my recollection serves me correctly the hon. member for St. John-Albert (Mr. Hazen) raised it last week. It is in connection with delinquency among children, arising from the fact that many men are overseas or in the army and many mothers are working. What forcibly brought it to my notice was a statement in the May issue of the *Canadian Forum* to the effect that a partial survey made by the Toronto board of education shows that in the public schools in the industrial areas of Toronto in more than 20 per cent of the families the mother was working and not home at noon. The statement went on to indicate that this condition was leading to considerable delinquency among children, and the social service agencies such as we have are quite unable to deal with the problem piecemeal. If the state needs, as I think it may, the services of mothers in connection with the war effort, then it is the responsibility of the state to see to it that their families are properly cared for.

When our party was in Great Britain—there are several members of that party in the house this afternoon—we were struck by the arrangements made over there to cope with this situation. For example, in Stoke-on-Trent we visited the large community kitchen and the feeding centres from which meals were served to families whose mothers were working or where the wage was not sufficient to provide proper and adequate food. We saw the crèches, and the playrooms in the air raid shelters where children could be taken care of while their mothers were away from them, sometimes on account of the raids and sometimes on account of working conditions.

It strikes me that this is not a question for the local municipality; it is a question for the dominion as a whole and ought to be provided for by this government and this parliament. Sometimes a new war industry comes into an area and no prior information is given by any of the departments as to the extent to which a problem of this sort will be created in the community concerned. It seems to me that the local authority should be taken into the government's confidence as to the type of worker required, whether women will be employed and whether families will have to be looked after. Adequate grants should be made by this parliament to the local authority, educational or social service as the case may be, in order that proper care may be provided for the children of the community—I mean care in crèches for the infants, in nursery schools for pre-kindergarten age children, and so on—and steps should be taken to ensure that the children at noon get proper and adequate food.

We learned that in the British schools every child in attendance is given a daily milk ration. They are terribly short of milk but it is carefully rationed so that the invalid, the expectant mother and the child may get it, as well as the school children. The ration in the schools is small, only one-third of a pint; if the parents can afford it, they pay a half-penny, one cent, but if they cannot pay they get it free.

If we are building a better order in this country, as we ought to be, and laying the foundations for that order now, as we ought to do even in the midst of war, then one of our first cares should be for the children of the workers in industry and the children of the men who are serving in the armed forces. I believe that this involves not only one department but all the defence departments, the Department of Munitions and Supply, and I think the Department of Pensions and National Health. I urge that consideration be given to this problem at once, in order that we may not continue to lag behind. It irritates me when I look over the social legislation of certain other English-speaking countries and compare it with what we have in Canada; I realize that as a nation we lag continually behind some of the more progressive peoples of the world.

In regard to dependents' allowances, an excellent letter reached me before this discussion began in the house. It is from a former school teacher. It is well written, and I propose to read the parts of it which bear upon the problem we are discussing, because I think it expresses the situation better than I could myself. I quote:

In June, 1940, my husband joined the Canadian army as a private. Each of us considered it his duty and privilege to do so. At the time, living as I did in Alberta, my allowance and that of my two children seemed adequate. Gradually however as we began to need coats, medicine and so on it seemed like we just could not get along. I hired a girl and went back to my profession of teaching school.

We had been separated about a year when I decided to go to my husband. After all he was still in Canada, and if many other husbands stayed out of the armed forces to be with their families should we not have the chance to be together as much as possible? My two little girls wanted to be with their daddy if possible and he was very lonely for us.

So in August, 1941, we came to London (Ontario). It became apparent immediately that we could not get along unless I worked. I took my children to a day nursery and got employment in an office. After two months of this I became ill and had to quit work. Then we realized we were to have another baby.

Well, I needed medical care, my children needed clothes, and we got neither. I went to a doctor for five months. He prescribed medicine and a diet which I could not by any means get. He advised dental care and eyeglasses—both impossible. And so, discouraged, he sent me a bill for his services. I took that to mean that he wanted no more to do with my case so I quit going to him, or anyone.

My children could not appear on the street all winter because we could not buy them coats. They cannot go out now because they haven't presentable shoes. I cannot appear on the street now because I have not been able to buy one garment to meet the requirements of my condition.

I have had to cut the children's milk allowance in half—and I don't get any when a quart a day has been prescribed. This is the first winter they have not taken cod liver oil. Their allowance of oranges and tomato juice has been diminished.

I am not a spendthrift, no one could be more saving than I in cooking, buying clothes, et cetera. At present I am knitting summer coats which will cost $5 for both. I'd have to pay at least $7 each if I bought them. I mend and mend and make over clothing.

I haven't anything for layette, and baby is due in July. We have to live in the poorest homes we have ever had. Our civilian friends have profitable employment, are living well. To try to help out I am taking care of a twenty months' old boy in addition to my other work. I do our laundry in the bathtub and dishpan. Here is a sample budget:

$30.00—rent.
4.50—hydro and gas (in cold weather fuel extra).
1.00—reading material.
1.30—insurance (children).
4.50—milk.
35.00—groceries, soap, etc.

$76.30

My allowance is $79. Can anyone tell me where our clothes are coming from? And my hospital and doctor care? And layette? And ice for the refrigerator this summer? And medicine? And a toy or amusement once in a while for the children? And care for them when I am not able to do it? It's a problem too difficult for me to solve and I never did have much difficulty with mathematics.

This is a point to which I wish to direct particular attention, because I do not believe a case of this type has come before the house so far.

My husband is a sergeant—without pay. He is more conscientious than many with pay.

I take it that means a sergeant's pay.

He's a top ranking mechanic at the trades school, was chosen recently because of his ability, along with eleven others of high marks, for draft. Still has his sergeant's rank—but no pay. No trade's pay either. But he pays sergeant's fees—lives a sergeant's life—on a private's pay. Don't take my word on his ability; I'll refer you to—

I shall leave out the name of the officer and give it to the minister later.

—or other officials here. And he is not a man to spend money on himself either. But his ambition to become a good soldier must be dampened when he thinks of us here at home.

My husband has no knowledge of this letter. I hope that it will in no way interfere with his chances of advancement, if he has any. He has the ambition, the ability and the incentive to get ahead. All he needs is a mind free of worry and a few of the "breaks."

I think that puts the case better than I could put it. I would ask the minister, if there are any cases of this kind—and I presume there are, since this is an intelligent, well written letter—of men in this position, doing tradesmen's work, with the rank of sergeant but the pay of a private, and with the families receiving the allowance of a private, to take steps to see that justice is done.

I should like also to add my voice to what has been said in this house already, asking that something be done to give the dependents of men serving in the armed forces an additional bonus or additional pay to meet the increased cost of living. It does seem invidious that we should provide—and quite properly—that men in industry should receive the cost of living bonus, and not provide that bonus for the dependents of our soldiers, sailors and airmen, for the aged or for the pensioners of the last war, who so frequently to-day languish in semi-poverty. I am urging that we do something to meet this situation. After all, these people in the lower income brackets certainly deserve a cost of living bonus more than some of our own high-salaried officials who are in receipt of a cost of living bonus from this government. Certainly we should do justice by those who are serving us in industry and in the forces.

Mr. McIVOR: I have a word or two to say, Mr. Chairman, because I believe one or two things should be emphasized. When boys are taken into the army, or when they volunteer for service, parents wonder just what their surroundings will be and what temptations they will have to meet. I should like to express my appreciation of the work that has been done by the Department of National Defence in looking after the welfare of our men in all directions. A man may be well looked after materially and physically but there may be that one thing lacking that would make him miss becoming a real soldier. I should like to pay tribute to the work that has been done by the chaplain service in the army, the navy and the air force. The best men have been chosen, not one-day-a-week men but young men who are ready and willing at all times to give service. This is not only true of the chaplains; it is true also of the Y.M.C.A., of the Salvation Army and of all the other religious organizations represented.

[Mr. Coldwell.]

Many parents are also anxious about the wet canteen. My position in this matter is well known, but I hope I may never be guilty of talking about anything in this house about which I know little or nothing. I have some data with regard to a canteen in one of our training camps, which I should like to give the committee. In this canteen the men consume five bottles of milk for every bottle of beer that is sold. I think every mother and every mother's son in Canada should be proud of that. On a recent occasion in this same canteen, when the troops were confined to barracks, they drank sixty-two bottles of beer and over three hundred bottles of milk; and there were 337 men in that draft. Again, over a recent Saturday afternoon and Sunday, when 171 men were in barracks, milk outsold beer by a very high percentage. It will be remembered that one hon. member rose in his place in this house and said that in one barracks they had a wet canteen, but when the dry canteen was opened the wet canteen was put out of business. To those who fear the bogey of the wet canteen, who think that when our soldiers sign up or are called up they are going to the bow-wows, I say I am convinced that from the chaplain service right down to the canteens our soldiers are surrounded by things that will help them to work and become real fighting men.

There is another point I should like to mention. Our men in England, in every branch, prefer to serve under Canadian rather than English officers. I pay my tribute to the Englishmen. After Dunkirk they were out of almost everything; they fought on, without guns and equipment, but notwithstanding that, our soldiers prefer to serve under Canadian officers.

Mr. ROSS (Souris): Last night when the leader of the opposition inquired about reserves the minister gave a comparison which, while he did not say it would be applicable to conditions to-day, I think might be misleading. He said that in 1918 about 10 per cent were composed of reserves. From his own experience he will realize that that was during the time of the final drive when we had nearly everything in the drive. He will know that in 1916 or 1917 the reserves were many times 10 per cent. I am not suggesting that he should give the actual figures of the reserves in the old country or in any theatre of war, but I do not think we should leave the public of this country self-satisfied about the matter of reserves. I am quite sure that the actual figure at this stage would be well over 10 per cent.

I should like to ask the minister some questions about our women's army. I have an article which appeared in the *Star,* written by Austin Cross, which reads:

"The object of the C.W.A.C." said Major-General Letson, "is to replace every able-bodied man in category A with a woman, and thus far, we have succeeded in doing this with 1,900 women. We aim to let a woman take a man's place wherever we can, and by so doing, conserve the man-power resources of Canada."

Early in the interview, the general emphasized the fact that women were available for service anywhere, and already a detachment of eleven was at the Canadian legation in Washington.

I have another article dated May 1 which appeared in the Daily *Province,* written by Torchy Anderson, which reads:

Possibility that Canadian women who enlist in the rapidly-growing Canadian women's army corps, may emulate their British sisters manning mixed batteries for anti-aircraft defence, was admitted officially this morning.

In the discussion of the corps, Major-General H. F. G. Letson, M.C., adjutant-general, said that it is quite possible that volunteers of the corps may be trained in anti-aircraft work.

The minister made some reference to this corps in the house some time ago, as reported on page 1913 of *Hansard* of this year. He referred to the dietetic service, which included cooking and waiting on tables, and certain clerical work. I think many hon. members are in the same position as I. I have received many communications from young women in all parts of the country and of various educational standards inquiring as to what branch of the service they could enlist in. Could the minister not enlarge on his previous statement and give us something concrete as to what he expects this women's army to be able to undertake? Perhaps he could tell us also the minimum and maximum ages which will govern their being taken into the service, what educational standards will be required, and what type of work they can usefully perform in order to relieve fit men for service.

Mr. RALSTON: The hon. member for Rosetown-Biggar made a statement about public health matters and quite properly suggested that the army were interested, the navy, the air force, munitions and supply and the public generally. I gathered that he was including these departments as part of the public and not as service departments. I shall not take up the time of the committee to deal with this because I do not profess to be able to do so in any detail. I shall bring the matter to the attention of the government. I do not think my hon. friend was quite fair in his reference to what has been done in Canada. I am talking not about the government but about the Canadian public generally and what it has done in the matter of public health and various types of social legislation. I do not think we lag behind a great deal in this respect. The hon. member referred to Stoke-on-Trent where there was a local organization. Canada is a federation and matters of health are under the provinces as well as the dominion; there is a division of jurisdiction. I think the last few years have seen a remarkable degree, not only of coordination—that word is pretty well worn out—but of cooperation.

Mr. HANSON (York-Sunbury): And improvement.

Mr. RALSTON: As well as improvement in this matter of public health. There are measures in force to-day in the provinces and the dominion that would never have been thought of ten years ago. I do not mean that we are by any means satisfied, but I would not want it to go out to the country that we are altogether lagging behind in the matter of public health.

Mr. COLDWELL: I think the minister must have missed my point. It was that the federal government should assume some responsibility for the financing of these things.

Mr. RALSTON: Of course the federal government has assumed considerable responsibility in that respect. In reference to the case which my hon. friend cited as outlined in the letter he read from the wife of a soldier, he was simply pointing out the argument that has been made a number of times during this debate, that dependents' allowances are not sufficient. At the risk of repetition I would indicate that that is exactly the sort of case that I have had in mind. I believe this particular case has been brought up before.

Mr. COLDWELL: I do not think so.

Mr. RALSTON: It sounded familiar to me. It is exactly the sort of case that the Minister of Finance was endeavouring to deal with in his announcement last November. If the dependents' board of trustees, in whom I have considerable confidence and who have certainly been taking an interest in their work by adopting the method, not of going through departmental officials but of going through citizens who know the cases intimately in their communities, does not work out, the system will have to be changed.

With regard to the army part of it, my hon. friend mentioned the fact that this man was a soldier without pay. I can only think of the situation being that he must have been a tradesman, receiving more pay as a tradesman than he would have received as a sergeant.

Mr. COLDWELL: The minister will recall that the letter stated that he was not getting tradesman's pay either.

Mr. RALSTON: I am quite free to admit that there has been great difficulty in the service with regard to tradesmen's pay. There are certain tradesmen's positions in the establishments of the various units and those who occupy these positions get tradesmen's pay. The rule has been that they do not get tradesmen's pay until they are filling tradesmen's positions.

Mr. HANSON (York-Sunbury): Has not the trouble been that the men were induced to enlist in the belief that they were going into a trade? Perhaps they were promised by the enlisting officer that they would get tradesmen's pay, and then when they got in there there was no job. I have had cases of that kind.

Mr. RALSTON: I am bound to say that the recruiting officers and the literature with regard to recruiting have emphasized the matter of tradesmen's occupations and trades opportunities. But we have now put into effect a system with regard to tradesmen's pay which I think will cover the situation. As a matter of fact this was effective April 1. A man will be entitled to tradesmen's pay on the completion of his basic training, subject to the provisions of the next three subsections. He must be filling a vacancy in the appropriate rank and trade in the war establishment of his unit. If, while in receipt of tradesmen's rates, he is promoted and thereby ceases to occupy a tradesmen's vacancy, he may continue to draw such tradesmen's rates until he is promoted to a higher rank that will entitle him to a regimental rate equal to or higher than the tradesmen's rates of which he was in receipt prior to such promotion. The next provision is that he shall be entitled to tradesmen's rates while absent from his normal duties on leave, on a course of instruction, or because of sickness caused by wounds or injuries. When he is qualified to draw tradesmen's rates, he may draw such rates while being held as an unposted reinforcement within quotas to be determined under the authority of the adjutant-general. That last provision is important. In other words, the adjutant-general may prescribe the percentage it may be.

I hesitate to name the percentage, but it may be a percentage 25 or 50 per cent above the establishment to the extent of which men who are qualified as tradesmen may receive tradesmen's pay notwithstanding that they are in excess of the establishment. That provision has been the subject of a great deal of examination by various branches of the department, each one of which has tradesmen. We heard the member for New Westminster the other night asking that bandsmen be given tradesmen's pay. There are also cooks and clerks frequently getting tradesmen's pay. The list is almost unlimited. I sometimes think that the infantry soldier who is learning the rifle, the two-inch mortar, the Bren gun, the machine gun, the tommy gun, and some of those who drive carriers are probably just about as highly skilled tradesmen as any of them.

With regard to the case itself, I suppose it is old now, but may I ask my hon. friend how long ago the letter was written?

Mr. COLDWELL: On April 27.

Mr. RALSTON: I should like very much to get the name.

Mr. COLDWELL: I shall be very glad to give it to the minister.

Mr. RALSTON: I shall certainly have it looked into.

Mr. ROSS (Souris): Would the minister make a statement about the Canadian Women's Army Corps?

Mr. RALSTON: Yes. The present strength of the corps is between 2,200 and 2,300. Recruitment is going on satisfactorily. The age limits are eighteen to forty-five. The educational qualifications are grade eight or higher. The service is general service—that is, service anywhere. The young ladies are called privates, sergeants or corporals, just as in the army. Speaking of them in the mass, the volunteers are used particularly in the four general subdivisions, two of which were mentioned by my hon. friend. When I mention dietetics, I mean cooking; I mean as dietitians, waitresses and everything else that has to do with the production of food in the camps or training centres or other establishments wherever they may be. That is one general class. The second general class is clerical—stenographic work, secretarial, accountancy, and so on. The third general class is in the auxiliary services, in canteens and places of the kind, where a large number of them can be employed. The fourth general class is in connection with motor vehicles, mechanized transport and classifications of the kind.

I have been very much impressed with the work which the corps has already done. The numbers are not large. We felt that to give proper training we should have a central training school. We have had training in the districts where the original volunteers were taken on, but we felt there should be

some uniform standard. We did not have the same length of time that we have for training the officers in the male branch of the army, and we were fortunate enough to make arrangements with McGill university under which we took over a large portion of Macdonald college, and there at this minute there is a class, and has been since April 27, of over 300 of the corps. We are having them all take a course there. I had a talk the other day with the district officer commanding military district No. 4. He had visited the school and is tremendously impressed by it, and particularly by the quality of the young ladies who are giving instruction. He even suggested that they might be used for instructional purposes in connection with other branches of the army as well, in view of the great aptitude they showed for that kind of work.

As I mentioned to the committee the other night, the difficulty has been accommodation. I think I can safely say that in five different districts in the dominion the quarters are now practically completed, and now that we are ready to house the members of the Canadian Women's Army Corps they will be taking on their duties in some of the lines I have mentioned. District No. 1, I recall—that is the district of which London is headquarters—has been particularly enthusiastic with regard to the work which these women have done. They are working in quite a number of the basic training centres. At Camp Borden there are practically none of the Canadian Women's Army Corps as yet, but there again it is a matter of accommodation. We are having temporary accommodation arranged for, and we expect to have a substantial number of the women's corps there. In Ottawa we have just acquired a place where we can house a hundred members of the corps. They have, of course, been working here for some time. They have been on subsistence, but we feel that it is highly desirable, from the point of view of esprit de corps and the general spirit which association together produces, to have them all together, and that is being done. I have great hopes of the corps and great satisfaction in the work that has already been done. The enlistments as of April 11 were 72 officers and 2,188 other ranks.

Mr. ROSS (Souris): Can the minister give an estimate of the probable strength over a given period of time?

Mr. RALSTON: The adjutant-general tells me that his requisition is for roughly 5,000. I hate to mention big figures but I do think the figure can be increased away beyond that. I know they can be trained, and I am sure they can be utilized. Without making any forecast, what is in my mind is a strength of possibly 15,000 at least.

Mr. ROSS (Souris): That information is very useful. What about the training of these young women for anti-aircraft work?

Mr. RALSTON: As to training in handling weapons or munitions, here again I am mentioning something that was given to me quite unofficially, and I am not sure that it is proper for me to mention it here. When I was on the Pacific coast an officer in charge of the searchlight battery mentioned to me that he believed that the members of the Canadian Women's Army Corps would be able to do that sort of work admirably. They are certainly equipped to do it. They have the standard of education, and their aptitude indicates that they would be able to do it. There again it is a matter of accommodation, and it is somewhat more difficult for the corps than for the army.

Mr. FRASER (Peterborough West): Are they not being used in England in prediction work?

Mr. RALSTON: Yes, in connection with coastal defence.

Mr. ROSS (St. Paul's): What is the term of enlistment?

Mr. RALSTON: For the duration.

Mr. ROSS (St. Paul's): Last year during a recruiting parade in Toronto an accident occurred. The parade was coming along Queen street, and near the city hall a man ran out between two army vehicles and was knocked down by a trooper on a motorcycle. The man had no business to be running between the vehicles, of course, but as a result the trooper's motorcycle got out of control, ran into the crowd and pinned several people against a hydrant. One woman in particular was very badly hurt. Although she has had a great deal of medical care, she is still in the hospital. This is just one of a number of incidents. I took the matter up with Ottawa, and there was no difficulty as regards the Department of National Defence, but they consulted the Department of Justice and got an opinion to the effect that there was no liability. Probably there is not, but I imagine that if it had been a civil case and a question of insurance had been involved, there would have been legal action of some kind, a settlement would have been made, and the woman would have got something. In this case she has nothing at all. She was an innocent bystander, as were other people who were injured. If the parade had not taken place

there would have been no accident. If the man who ran out had been of some substance she would have had recourse against him, but under the circumstances she has none, and the crown will not give her a chance to sue. It seems to me there should be some way by which this poor woman, as well as the other people who were injured, could be compensated. The parade took place there, and it seems to me that there is some liability. I should like to know what the minister has to say.

Mr. RALSTON: I appreciate the hon. member's consideration. He has not even brought the case to my personal attention; evidently he has exhausted departmental procedure in connection with it.

Mr. ROSS (St. Paul's): Yes.

Mr. RALSTON: I should like to toy with the legal end of it, but I know that that is not the important thing. My hon. friend suggested that if the parade had not taken place there would not have been an accident and therefore the crown is liable.

Mr. ROSS (St. Paul's): No, I did not suggest that the crown was liable.

Mr. RALSTON: I thought that my hon. friend was suggesting it. If I remember my law, it is not, as I understand it, the *causa sine qua non* but the *causa causans* which decides whether or not the defence is liable; and the parade was not the cause of the accident—not the proximate cause of the accident—in that sense.

My hon. friend suggests that in a civil case there would have been a trial and the lady would have got something. I can say to him, if this will do him any good and do the lady any good—for the crown does not want to avoid any liability—that I shall certainly take the matter up with my colleague the Minister of Justice and ascertain if it is not possible to grant her a fiat so that she may have her day in court and an opportunity just as she would have in a civil case. That may be of some help. The only alternative is payment *ex gratia*. Invitations of that kind in my department are pretty frequent, and I have to have some general rule. I do not believe that, on the statement of the case which is made by my hon. friend, it can possibly be considered on that ground. However, I assume that my hon. friend will send me the name of the person—probably my secretary has it now—and I shall look into the case to see if anything more can be done.

[Mr. Douglas G. Ross.]

Mr. CHURCH: The matter which has been mentioned this afternoon of hospitalization and the care of the soldier and his dependents, and also the dependency money, has been before the house since the fall of 1939. I then raised this question, which is still on the order paper and under the rule of anticipation has never been dealt with, and there is a private bill about this and other matters.

The question of hospitalization is a most important one, and the matters which have been raised here are directly related to the subject matter of the resolution which I brought in immediately after the war started, namely a proper system of national insurance of the soldier and his dependents. The policy which I proposed, and which the Minister of Finance refused last year and the year before to adopt, was an insurance policy like the one they have at Washington—I had the document here and read it to the house—to take care of hospitalization, sickness, unemployment for two years after the war, and rehabilitation of the soldier and his family.

What have we now? We have this work centred very largely in the municipalities. Large numbers of men have enlisted, and what provision are we making for them in these respects? Anything that is not in the draft estimates has to be covered by the resolution covering the $2,000,000,000. It is an involved resolution, because it covers hundreds of items and a multitude of sins and errors which have been committed since the war began.

The subject of hospitalization involves soldiers who, having enlisted and trained for three months, may go overseas and then be sent home. Who looks after them? Judging from the cases which have been brought to my attention, I understand they have to go from one authority to another, with the result that they cannot pay their rent; sometimes they cannot get the money due them, and the bailiff puts them out. I know many cases of suffering under these circumstances. The province cuts them off relief and will give them no further help. The result, as I see it Toronto, which has one of the finest health departments on the continent, is that the city is forced to look after some of these men or let them go out on the streets and shift for themselves. I admit that the present Minister of National Defence has made a great improvement.

The other matter to which I wish to refer is that in my opinion we have the wrong system of considering the question at present before us. It is unfair to require a minister

to sit here for two or three weeks, as he must do under our present antiquated system of procedure. We are doing the same thing as they did in the time of the Napoleonic wars; there is a resolution first, a bill, and all that kind of thing going on in a circle. If we had the British system, by which, during the first forty-five minutes each day that parliament meets in war time, hon. members can rise and ask the very questions which are being asked here this afternoon, hundreds of questions could be answered, avoiding unnecessary long debates and saving months of time which are wasted by us in debating war policy under an old system. Whether it be this or any other government that is in power, I sympathize with any minister who has to be here for weeks and attend to departmental affairs as well and carry on, and I apologize sometimes myself for asking on urgent matters. But I say this, representing a soldier city, that we should have a new system. I raised this point last year and the year before. To-day we are sitting from three to six and from eight to eleven. Surely the British policy of setting aside forty-five minutes each day for answering war questions would be a great improvement on the present practice and curtail weeks of debate. I receive the British *Hansard* daily from the old country, and I am surprised at the questions which are asked on the orders of the day. In nearly every case the minister has had notice and the answer is often read. That is true even with respect to such questions as the one which was raised this afternoon by the leader of the Cooperative Commonwealth Federation. The minister has his answer ready; he can rise in his place and say why Mrs. A or B or C or D did not get her dependency money, or why her soldier husband was not admitted to hospital, or did not get his pay, or questions about soldiers' parcels not delivered in enemy countries. Supplementary questions are allowed as well.

I must say that the system in the minister's department is such that the letters I write about hospitalization or departmental matters are answered the next day or so. I believe I write to the department as much as any hon. member, because a great many people write to me. I am sorry they do, because I do not want all that work, but our officials endeavour to help the private member and his constituents, and our civil service do it well.

I have one other question to ask, and I shall occupy only a few moments, because it is hard to raise important questions of policy regarding the war in the haphazard way which is followed in this house, one hon. member after another rising and asking such questions as occur to him on a variety of different topics. For that reason I did not like to interfere last evening with the train of thought of various hon. members on certain features of the debate. However, the minister made a radio speech on Sunday evening. In my opinion it was a very good radio speech. I speak only as a private member. I believe it is my duty to give the government independent support as long as they are trying to carry on a total war, and I intend to do so irrespective of politics. I believe that every hon. gentleman on this side of this chamber is trying to do the same thing. I am sure they are.

I believe it would be an advantage if the minister would devote some time to disseminating news on the radio himself in this way, because to-day the radio is of great importance. I say this without disparaging the splendid work of the press, which have rendered splendid service in connection with the war, but I believe the minister should explain over the radio the position of the soldier and his dependents in this matter of hospitalization, pay and better conditions for the soldier's care.

I have tried to get some into the hospital, but you cannot do it unless you sign a contract. There is a great deal of suffering, and federal power will have to do something more about this matter in the future than it has so far done, because after all the soldier's wife and his children are civilians. Parliament will have to go into the whole question of public health for civilians and soldiers. It is one of the greatest problems before us, but for many years past it has been made a football here. This is a comparatively rich country; the health of the Canadian people is a matter of first importance to all of us, and the first duty of a government is the care of its people. We have all been surprised at the criticism that has appeared in newspapers throughout the empire about the decadence of our race, the number of people who have been found unfit for active service, and the fact that the civilian population has been finding it exceedingly difficult to stand up against the battle of nerves or ready to serve in the war. I urge parliament to take the necessary steps to help the municipalities in this direction of caring for soldiers and civilians. The minister speaks very well over the radio—I heard him on Sunday night—and he and other members of the government might very well give their assistance in this matter. The hon. member who is at the moment in the chair (Mr. McCann) is an authority on the subject

of health which I am discussing, and he and other hon. members could give valuable assistance.

I suggest that something be done to educate the people through the radio, and another means of eliciting information would be in connection with the forty-five minute rule applied here only with regard to questions and supplementary questions on the war. I believe that we have power now, but if we have not, then I suggest the rules should be changed in this regard. I am glad to see that I am getting some support in this matter, not only in connection with insurance, but in connection with the training of soldiers, the better treatment of our men, better fares, the high cost of living, dependents' allowances and so on. I have had a bill dealing with these matters since 1939 and also with the difficulties in the camps throughout Canada, because at the present time the troops cannot get home on embarkation leave for a reasonable holiday with their people. They must waste two-thirds of their leave getting up and down so that they have just a day or so to spend at home. That is one of the things that hurt recruiting. There was a resolution on the order paper in regard to this whole subject from 1939 on in my name, and I wish to thank the minister for putting on *Hansard* recently certain information which I had been hoping to get two years ago of the rates of pay. If this information had been put on *Hansard* last June when I had the return, it would have saved a good many questions which have been raised in the last three weeks; but the Minister of Finance (Mr. Ilsley) at that time rose in his place and objected to my putting anything of the sort on *Hansard* or having it in *Votes and Proceedings*. The Minister of National Defence was kind enough to put the table on *Hansard* on Tuesday last and members were surprised to read its contents.

Another important return was tabled yesterday in regard to the rates of all ranks of army women's pay. That also should be put on *Hansard*. I would ask the minister to be kind enough to have it appear in *Hansard*. I cannot do it in committee, but I suggest it is a document which every member of parliament should read. With regard to the new regulations which were brought down last November and changes made having to do with the amendment in connection with dependency money, a number of boards were set up last November. There were thirteen districts and one emergency branch in No. 2 district, Toronto, operating. There were in Toronto only 328 applications and all they paid out was $4,064.46. What good is that? What is the use of $4,000 in a large city in which there are so many soldiers? The minister has not been unfriendly to this question of dependency bonus. We see hundreds of people getting a civilian bonus in the civil service in Canada to-day.

I regret that the Minister of Finance is not here at the moment because there are a few things I should like to say to him. I have a great deal of respect for him, but I must say that in my opinion he has not had, in many respects, that training for the position which he should have, as I said the other day. What I have to say about ministers I say to their faces. I believe there is a great deal of suffering for want of this soldier bonus he opposed. In the riding I represent, in the district south of Gerrard street, the only time we see some people happy there is when somebody has a campaign fund on at Christmas for the help of the poor and needy. Some of the houses there are not fit for human habitation. Many of them have been condemned and changes ordered and the people have no money and no new place to go or houses. The hon. member for Rosetown-Biggar (Mr. Coldwell) this afternoon read a very nice letter, which is only one of a great many letters of the same sort which I receive from soldiers' wives all over the country, complaining that they cannot live on the money they have, especially at this time when rents and food and necessities have risen to such a degree. The fact is that they have no new houses or homes, and I hope that something will be done in the coming budget to take care of dependency money and housing as well for these people.

As regards cadet services, it is very difficult to get anything said or done about this matter. In the old days the cadet services were under the control of the school boards and the boards of education, and I think it was a great mistake to take them away from these bodies. The army still has its association with the school boards, but so far as the other services are concerned this is not the case. I know a great many principals who say that when private organizations come to a collegiate institute asking for 25 students or so, the rest of the students feel that they are discriminated against. All cannot get into some private organization for military purposes. There is at the present time among the students of the collegiate institutes, an invidious distinction which should not be allowed to exist. There should be equality of treatment. It would have been far better if in connection with the three services the school boards and the boards of education had been left in control as in other days and grants made to them.

With regard to women's services, I am glad to see the improvement which has been made.

Reference has been made to the audit department, and I have no complaints in this regard, but last session I asked the minister whether the auditor-general had power. I understand that every department has a separate audit system of its own and the whole business is involved and complicated. I fail to see any coordination. I am not criticizing the army, but I do criticize the dead-hand of the treasury that does not control all of these expenditures for the war and veto some of them. The audit system does not control them adequately. A new appointment has been announced in connection with censorship, and I suggest that it might be well to censor occasionally some of this gentleman's remarks, as for instance certain utterances in New York about the defence board. I am for the censor plan of the last war.

Another matter that in my opinion calls for some remedy is the position of certain men in the publicity branches of the department. I do not see why a man who simply writes up news and publicity, a liaison officer, non-military so far, should be wearing a uniform when he is not a soldier. It is all right if he is in fact a soldier; but if anyone has not had any military training and is not actually a soldier, but is engaged in such work, then I suggest he might wear an armlet and a civilian suit. Certainly he should not allow people to think he is a soldier when he is not and has never had any military career.

What are Canada's objectives and strategy for 1942? I do not know. It seems to me, as I have been reading *Hansard* in the past few days, that there are priorities at the Pacific coast and in the maritimes, and that we have established with our limited defences priorities for some provinces and not for others. I believe that some statement along that line should be made. There should also be a national system teaching every citizen on the Pacific coast and in the maritimes to handle a rifle. The minister made a reply last session about that and went to considerable pains to see if something could not be done, especially in the Pacific province. I admit the minister went into it and gave an elaborate reply, but we have not the rifles for the civilian population. The Finns in Finland were ready for the enemy; they had shock troops and by guerilla war they kept the enemy at bay for months by skilled training in rifle affairs. In the schools of Ontario 50,000 are to be given military drill by the department of education this year at the expense of the school boards, and no doubt they will have miniature rifles. The people of this country will have to wake up and adopt a national policy of rifle education along that line before it is too late.

There is another matter which arose during the depression, and in connection with which the present minister has not been unsympathetic. I refer to the large number of young people who were cast into prison for riding the rods looking for a job and other minor matters. Many of these young fellows escaped sentences as vagrants but others were sent down for two years to penal institutions under this parliament. If a proper survey were made, a good many of those who are in for what may be called secondary offences might be admitted to the army. I know some oppose it. I know a commanding officer, one of the finest in France, who got into trouble in a financial way and was sent down. I wrote the new Minister of Justice in February about the matter; he was sympathetic and was going to get a survey made. We should have a survey and get the facts and train men for war or home defence or overseas service as was done in the great war.

I believe also that recruiting would be helped very much if the minister would allow men of the services a day off on such occasions as the 17th of March, the Holy Name parade, the 12th of July, St. George's day—and I see my good Scots friend on the front bench so I may add St. Andrew's day. On that great day November 30, 1941, there were 20,000 present at Varsity stadium for the Winnipeg-Ottawa final game. In the Holy Name parade there were a good many soldiers in uniform. It is a good advertisement for recruiting. I am not prepared to say anything about the 12th of July because, being an Irishman, I am too modest, but I hope some recognition will be given by the different services to the patriotic festivals I have named, for one day, or a day and a half, as was done in the great war with camps near cities.

While the plebiscite cannot be discussed here, the result of the voting was a demand for greater efficiency in our war effort, on land, in the air and on the sea. Parliament should act at once and get value for this two billion dollar vote and programme for war in 1942. The people should have more knowledge about our war effort. Criticism is not as bad here as it is in England or Washington. I disagree with the hon. member for Vancouver South we are not in a position yet to do anything out in the Pacific. We have lost command of the sea; we have made some improvements in the defence bases there, and got commandos and vast improvement.

I admit it is good, but until we regain command of the sea we cannot send an expeditionary force to the far east. This country must wake up to the fact that the war is not going to be won by the navy, any more than the war with Napoleon; it is not going to be won altogether by the air force, although the work they are doing is very material, never equalled, and wonderful. Sooner or later this country will have to contribute its quota to a peninsular war on the continent of Europe and also one in the far east, and I hope the day is not far distant when we may be ready for it, because to take the offensive, to attack, is the best defence. What defence have the people of Canada in case of a surprise attack? We do not know yet. What defence have we for the aerodromes in British Columbia? There is a unified command; the minister gave some idea of that, but it all comes back to the point that we must make up for lost time. The fact that our defences were allowed to become so inadequate is not the fault of anyone at present in the house or in the government; the people of this country and their parliament were almost a unit for disarmament, pacifism and dependence on America for defence. What precautions have we against surprise attacks? The minister made some suggestions about that. Have we priorities? No doubt we have the policy of "first come, first served," but when you want a yard of defence and there is only half a yard to go around, you have to have priority for some section of the country at the two coasts.

It must be apparent to everyone that all this weakness in our defences was known long ago. We know the trouble we have had in the far east, and the defence of the far east was the defence of Canada. How did it come about that there was a colonial conference in 1937 and Canada said, "We have no commitments, parliament will decide," and all that kind of thing? But parliament did not decide. Mr. Menzies, former prime minister of Australia, was present in this chamber not so long ago and gave his opinion as to the defence of Canada, and our empire on the Pacific; our defence in the far east is the defence of Canada just as the defence of Britain is the defence of Canada. A large part of the money provided under this resolution will sooner or later have to do with it and attack abroad not at home. It is something we have to face. It is the most important question for the people of this country. The enemy is at the front door, the back door, the side door and every door. Sooner or later we shall have to wake up to the fact that we may be invaded at all our doors, and something should be done to give us the facts about that situation.

It has come out that Australia and New Zealand have announced that they were notified by Great Britain of the weakness of Britain in the Pacific. So was Canada. It could not be expected that it would be done any other way, Canada knew and did nothing. I remember when the government in 1937 and 1938 brought down the present policy about defence, on which this resolution is based. What were the cardinal principles? The cardinal principle given then of our defence was first for home defence, but our only real home defence is in Britain, the Mediterranean, Libya and the far east. That is primary, it is not secondary; if we fail over there, it is all over with us here at home a few days later. The only other cardinal principle of our defence given in 1938 was to protect Canada's neutrality in case America was attacked by a foreign power, meaning Japan. Those are the two cardinal principles of our defence policy; there are only two. That was supported in this house by nearly all hon. members on both sides. What was the result? Well, I know what was said by eight or ten prominent speakers right here in 1937-38. They said, "Oh, we do not need to spend our money for defence now. We can reduce them and rely on the league and disarmament. The United States will protect our shores. British Columbia does not need any defences, nor do the maritime provinces; the United States are going to do it on both oceans." Then war came, and we cannot get ready in a day or a year to rearm.

Let me read a paragraph from a statement of Sir Keith Murdoch of Australia. He is arguing for the immediate need of a war cabinet to meet the Pacific disaster. He said:

> The entry of stout dominion minds into the war council, and of overseas service men and business men into the army, navy, air and supply councils has become of great importance for the two reasons that the dominions will not stand grave decisions going against them unless they are in those decisions, and that something must be done to improve the war management.

He is right, yet, Canada opposes it. The dominion prime ministers or their deputies can compose it.

Then we were told of the losses in the far east. Mr. Menzies, the distinguished former prime minister of Australia, who spoke to us in this chamber not so long ago, has since stated that as prime minister he was in possession of facts revealing the dangerous but inescapable weaknesses of our defences in the east. It is reasonable to suppose that

Mr. Fraser, Prime Minister of New Zealand, also had knowledge as to that state of affairs, and so did Canada, I charge. That cannot be denied; we refused to cooperate. Canada had this information long before the present minister came to office; Canada knew all about the weakness in the Pacific. As the *Times* has said, the essence of strategy at its highest level is the assessment of priorities as between the various theatres of war. After dangers have been foreseen, then weaknesses must be deliberately tolerated in some places in order that decisive strength may be concentrated elsewhere, because Britain and her empire were not ready to meet an armed foe. We must bear in mind the old adage that half a yard of cloth cannot be made to do what a yard will do.

I am sorry I had to bring up these matters at this time, but I think it of the utmost importance that we should face the facts before it is too late, and before there is a surprise attack on Canada, a coveted land. I suggest further that, as suggested, we should amend our rules in order to do away with lengthy debates of this kind. In the mother country for the first few days of the last war they followed the same practice we are following to-day, but then they got down to the procedure of question, answer and supplementary question. There has not been a question placed on the order paper during the last few weeks that could not have been answered satisfactorily on the orders of the day, with supplementary questions that would prevent weeks of debates.

Mr. FRASER (Peterborough West): I should like to ask one or two questions. Are female medical officers taken into the service in order to check on applicants for the women's service corps? Has any consideration been given to appointing women medical officers to the dependents' allowance boards? Some mention has been made of the emergency board in connection with dependents' allowances. I understand that boards have been set up at various points throughout the country. Could the minister tell us in which districts those boards have been set up? Then there is one further question before I sit down. Are sulphanilamide tablets being given to the men on active service, for use in case of wounding? I understand that after the Pearl Harbour bombing the men who had sulphanilamide tablets were saved, while those who did not have them became casualties.

Mr. RALSTON: My hon. friend asked about medical officers for the Canadian Women's Army Corps. No female medical officers have been appointed, but the matter is under consideration and a certain number will be appointed. Then as to question No. 2, in regard to the dependents' allowance board, I do not think any medical officers are appointed to those boards, or to the board of trustees.

Mr. FRASER (Peterborough West): Would it not be a wise thing to do, with the number of women in the service corps increasing all the time? Would it not be wise to have female medical officers there?

Mr. RALSTON: My hon. friend misunderstood me. I said we expected to appoint female medical officers for the examination and check-up of members of the Canadian Women's Army Corps. Then I thought my hon. friend also asked whether or not women medical officers could be appointed in connection with the dependents' allowance board of trustees.

Mr. FRASER (Peterborough West): Not the trustees; the board.

Mr. RALSTON: I shall inquire about that, but I have not in mind that the dependents' allowance boards have medical officers. There may be one medical officer who checks over the files, but I do not think examinations are made by the dependents' allowance board. With regard to sulphanilamide, that is not issued to the individual soldiers, but the medical officers are supplied with it, and the matter is receiving consideration now.

Mr. FRASER (Peterborough West): Where are the boards set up under the dependents' allowance?

Mr. RALSTON: I put that information on *Hansard* somewhere, and if my hon. friend does not mind I will send him the reference later.

Mr. BRUCE: I hesitate to prolong this debate, Mr. Chairman, because I consider that the minister has been very painstaking and patient in his answers to a great many questions. I have no intention of submitting any further questions, but I thought I might be able to add something to the debate in view of two or three matters which have come up this afternoon.

Reference was made to the practice as to operating on hernias. This question came up also during the last war, when I made an investigation of the medical services overseas in 1917 and reported my findings to the Minister of Militia. That report should be in the library. To-day I tried unsuccessfully to obtain a copy, although in the sessional papers I was able to obtain the interim

report, made in reply to my report; so I shall have to look up another copy of my report in order to make sure that it is available in the library here.

Mr. MACKENZIE (Vancouver Centre): It is available.

Mr. BRUCE: Our experience then confirmed what was said by the minister this afternoon as to the attitude now taken by his medical officers in regard to operations on hernias upon men serving in the army, at least during the period of their service. I suggested then, as I suggest now, that if a soldier is found to be suffering from hernia which could be relieved by an operation, the the operation should be performed by a surgical specialist. I do not believe it should be performed by the ordinary medical officer attached to a hospital or other army unit, because most of these officers are not experienced in this work. Even though a hernia is a tempting operation for young, inexperienced men to perform, one should remember that it may be attended with considerable difficulty and, if not performed in the most up-to-date manner, may result unfortunately or may be followed by a recurrence, in which event it would be better not to have been done at all. Modern methods have reduced the incidence of recurrence in operations on hernia by as much as 60 per cent or more. In other words there are at least 60 per cent fewer recurrences under modern methods of operating as compared with the ratio, say even twenty years ago.

Mr. RALSTON: I understand they never think of operating, so far as attempting to mend a man is concerned, on what they call a double hernia. Do they ever do that in order to fit a man for a medical category?

Mr. BRUCE: I think under appropriate modern surgery, by a skilled specialist in this type of work, the double operation might very well be undertaken, but of course it should never be performed by men who are not skilled in this work. You know that in the modern successful operation fascia is transplanted from the thigh to close the hernia; that is, the so-called living suture is used instead of the old method of catgut or silk. This method, which was devised by a Toronto surgeon, Doctor W. E. Gallie, a number of years ago, has stood up under the most severe tests; and when that method is used I think perhaps 90 per cent of the cases will result in a permanent cure and fit the man for any kind of laborious work, including service in the army.

There is another matter to which I should like to refer and which is dealt with in P.C. 2229, namely, dietetic and nutritional treatment. I placed some questions on the order paper recently in connection with the British government requiring some Canadian authority, which I presumed was the government, to have the flour sold them fortified by the use of synthetic vitamin B; that is by what is known as thiamin. The answer I received was that there was no information. This answer, I believe, was correct, because I understand that it is a matter between the millers and the British importing board.

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

Mr. BRUCE: The miller is required to add ·2 grams of thiamin to every 280 pounds of flour. For a considerable period experiments have been conducted in flour mills in Canada in an attempt to find a method of retaining in the flour the essential vitamins of food of nutritional value, particularly the various forms of vitamin B. Thiamin, or what is known as vitamin B-1, is only one of eight or nine vitamins in the B group. Even though a synthetic vitamin is added to the flour it is not as good as retaining the vitamins present in the wheat. During the last year or so the millers, by a series of experiments, have evolved a method of retaining these important vitamins in the flour. I understand that all the large mills have now perfected a process by which they can retain these vitamins in the flour. Previously it could be retained only in the dark type of flour from which was made brown bread, but with the perfected process they can now produce a white flour containing all the essential vitamins which, in turn, will make a white loaf. Not only are they able to do that, but the loaf is indistinguishable in appearance and taste from the ordinary white loaf which has been in common use and demand for a long period of time.

We have had many illustrations of the need of increased nutritional values for our growing population. What we have in mind particularly is to see to it that our young boys receive food of the proper nutritional value so that when they go into the army they will be of the proper standard of fitness to enable them to be placed in category A. I have a few figures which I shall give in a moment. If these important and essential vitamins can be retained by the use of a process worked out by our millers and scientists, then why does not the government insist that the bread supplied, not only to our troops but to our civilians, shall be made from this type of flour?

Mr. MACKENZIE (Vancouver Centre): The hon. member means to make it compulsory?

Mr. BRUCE: Yes, I would make it compulsory. The large millers are using this process successfully, and if the smaller millers find that they have to compete with the larger millers, they would soon fall in line. I understand that it is not an expensive process, and that the present mills can be converted at very little cost. If our people are suffering from lack of nutrition, as was shown by the recruitments in the early period of this war, and I presume is still the case, then I suggest it is highly desirable that the government make it compulsory that our troops and our civilians alike have the benefit of this so-called vitamin B white flour Canada-approved.

I think it is a fact that of the first 50,000 recruits called up for compulsory military service, 40 per cent failed to make category A after being examined by their family physicians, while another 10 per cent were rejected when examined by the military medical boards. It might be interesting to mention here that statistically the twenty-two-year-old Canadian is found to be five foot six and three-fifths inches in height, and he weighs 144·6 pounds. The weight and height and physical well-being vary in different parts of Canada, and the best specimens of Canadian youth come from Prince Edward Island. Of the Prince Edward Islanders 80·16 per cent graded A. Perhaps the minister will appreciate that fact, since he represents a constituency in that province.

Mr. HANSON (York-Sunbury): He is not a Prince Edward Islander; he is only a visitor.

Mr. BRUCE: The Sirois report drew attention to the wide and unnecessary variations in the health picture of Canada and to the tragic results of grossly inadequate public health services. This matter will be of interest to the minister of health. They were concerned about economic waste, whereas we are now concerned about the wastage of man-power needed for our industries and armed forces. I am glad to know that an interdepartmental committee is sitting in Ottawa to study this problem. Physical defects among recruits for our armed forces caused the federal government to set up this new nutrition branch to deal with the whole problem of health in war time, with special emphasis on the health of workers in industry. This is a move in the right direction, and I am sure it will produce valuable results.

Mr. RALSTON: That is the committee under Doctor Hunter.

Mr. BRUCE: I think it is under Doctor Pett.

Mr. RALSTON: There is a committee under Doctor Hunter of the university of Toronto.

Mr. MACKENZIE (Vancouver Centre): The nutrition committee is under Doctor Pett.

Mr. BRUCE: I was not aware of the other committee. I should like to mention that in England 1,000 men who had been rejected by the army medical boards were taken to a camp provided by the army and fed a special diet for six months. At the end of this time 85 per cent were accepted by the army. I wonder if something of the kind could not be instituted in this country. Health depends more than we realize upon the B and C vitamins. We need milk, we need cereals, and we need green and yellow vegetables, citrus fruits and tomatoes. Vitamin A is also necessary for the eyes. The maligned potato is still a basis of a good diet.

Mr. RALSTON: Prince Edward Island once again.

Mr. BRUCE: This will please the leader of my party. I am hoping as a consequence that the sale of this product in his part of the country will be increased. It is interesting to note that peanut butter is high in calorific value. It is rich in carbohydrates and fats, and contains somewhat more protein than beef. It is among the best sources of vitamin B and is cheap.

Mr. REID: You would not leave out oatmeal, would you?

Mr. BRUCE: Oh, no, I mentioned cereals earlier in my remarks. A pint of vitamin D milk, whole-wheat peanut butter sandwiches, and a tomato or an orange make a nearly perfect lunch for a child. I hope these few remarks may be helpful to the minister and to the health department.

Mr. EDWARDS: Mr. Chairman, on March 27 I was directing to the house some remarks in regard to recruiting, a subject which was exercising my mind at the time and to which I have given some thought and study since. I have in the meantime made a few observations which I should like to give to the house.

Since returning to Ottawa I have observed something which I think has come under the observation of all members of the house. No later than half-past two this afternoon I passed the most centrally located recruiting station in the city of Ottawa, which, as you will recall, is in the Canadian National railway ticket office on Sparks street. A young man

was sitting there being interviewed by a private or a corporal. I wondered at the time just what that young lad's feelings and emotions were as he sat beside the man in uniform in that office where ten or twelve clerks were engaged in their daily routine, where there were stenographers, and salesmen selling tickets, and about six people like myself in there buying tickets or making inquiries with regard to transportation. I thought to myself, this is not fair to Canadian youth: to have a young volunteer like this sitting alongside a soldier in uniform, subjected to the gaze of the indifferent and the curious, the interested and the uninterested, and even of those who might be scorning all he was doing at the moment when he was about to dedicate his life to his country. Our young Canadian deserves better of our country and of the cause for which we are fighting. I tried to picture myself in that young man's position twenty or twenty-five years ago, and I wondered what thoughts were passing through his mind as he sat there under the gaze of us all, and the agitation of mind and soul he had experienced possibly in the last twenty-four hours, when he was making up his mind. I imagine that he probably came there looking for advice, sympathy and help in making a momentous decision. A man who comes to volunteer at any of our recruiting offices is entitled at least, in my opinion, to the courtesy of privacy when he is about to make his decision.

Then my mind turned to the officer in charge of the recruiting office and I thought to myself, what is uppermost in his mind? Is he thinking in terms of the young man who has had the courage to come in and offer his life for his country? Or is he thinking in terms of the army and of his job of getting men for the army? I imagine the thought that was uppermost in the recruiting officer's mind was: "Here I have another recruit for the army." I am sure that his success or failure in the eyes of his superior officer depends upon the number of young or middle-aged men who enlist for the Canadian army in that particular recruiting station.

We have heard a lot about selective service. I wonder whether we are applying selective service even in our voluntary enlistment system to-day. That young man may have come from forty or fifty or maybe a hundred miles from Ottawa, where there was no local regiment in his town or village, no unit of the air force or of the navy. He may never have seen a ship at sea or a squadron of planes in the air and may have had little notion in which of the three armed forces he was best qualified to serve his country. It does seem to me that that man is entitled to the best advice and counsel that our country can afford. It should surely not be left to caprice or chance or even his whim or fancy which of the services he should join. Surely the paramount consideration should be that of public need and necessity. I am afraid that some of the dissatisfaction which exists in our army, navy and air force is due to the fact that men have gone into a particular service without proper advice as to where, by reason of their background, education, training, experience and ability, natural or acquired, they can individually best serve their country. I suggest that the fact that the young man whom I saw this afternoon happened to run into an army recruiting office makes it almost certain that he is now, while I am speaking, a member of his majesty's army. But I wonder whether that is the place where he can best serve his country. If by chance he had stepped into the navy recruiting office, I wonder whether he would not now be a member of the Canadian navy, or if peradventure he had gone into another recruiting office further down the street, I wonder whether he would not now be a member of his majesty's air force. Should such a serious decision as that be left to chance? Are we to look at this thing and allow his fate to be decided solely from the point of view of the needs of the army, or the aggressiveness of the air force regarding recruiting, or by the romantic appeal of the navy? Is chance to be the deciding factor as to which service the young man shall join?

I think we are pretty well convinced now that the time has gone by when men flock to the army in the large numbers witnessed at the outbreak of the war, when the more enthusiastic patriots and some of the unemployed were flocking to the colours. To-day the men offering are possibly more sober-minded or hesitant, thinking of their ties of home and of duty to loved ones who are dependent upon them.

One of the two outstanding things which have been accomplished in Canada in this war has been the creation of the personnel selection service, of which the minister spoke yesterday afternoon in answer to a member representing one of the Winnipeg seats. I was very much interested in what the minister said. That move is very much to be commended. But it does seem to me that the advice, experience and knowledge of these personnel experts, trained medical men and psychologists, could best be applied when the young man first comes forward to offer his services. That is the time he should get counsel and advice as to where, in the opinion of these men, he can best serve. I believe the minister remarked that possibly that branch had not

been expanded to the extent he wished it to be, because of inability to get sufficient trained men. I wonder whether there is a personnel selection branch in the air force, and similarly for the navy. If not, surely there should be. But why three personnel selection branches? Why three different recruiting depots? Why not one recruiting depot at which Canadian manhood should apply and receive advice from those familiar with the wants and needs of our three services, and be directed into the branch which needs men and in which the particular individual can best serve his king and country? To me the present system of recruiting seems extravagant and shows a lack of cooperation which is reflected down through our three armed forces. It demonstrates failure to appreciate the requirements of the situation. We get the money to finance this war, not through the efforts of the soldiers, the sailors or the airmen, but by relying upon our civilian population and specifically upon men who are skilled in selling victory bonds and promoting the sale of war savings certificates. When it comes to the manufacture of munitions of war, whether they be guns or bullets, uniforms or shoes, we rely upon our trained civilian men, institutions and organizations to provide our armed services with these things. I suggest that the same practice, the same reasoning and the same logic should apply in so far as the recruitment and selection of our manpower are concerned.

In that connection I wish to refer to the work of another department of the army, upon which I think the minister is very much to be congratulated. It has demonstrated more eloquently than anything I can say, through practical results, the theory which I have enunciated regarding the obtaining of men.

In Alberta there are, I believe, at the present time working in cooperation with the army, over 345 civilian agencies. No longer do we have an officer in uniform with a retinue of subordinates travelling from point to point to await the arrival of prospective recruits. In each of these towns and cities the recruiting officer is a civilian, a man of character, reputation, standing and past experience in one of the armed services, and it is generally known or made known to the community that he is there to counsel and advise young men who are entertaining the notion or impressed with the duty of offering their services to their country. This system has worked out remarkably well, and I commend the minister and those associated with him for the success which has attended their efforts in my own province. I should like to inquire from him how it is working out elsewhere, and whether we cannot have more of that civilian recruiting. I am told, regarding one office in my own city, that a simple advertisement brought in twenty-five responses from tradesmen and mechanics who had seen the classified advertisement in the local papers requesting those interested to present themselves at the office of the assistant civilian director of recruiting services. The response and reaction were splendid, in this respect, that the mechanic, were he young or elderly, came to a private office, was met by a man in civilian clothes, sat down at the desk on terms of perfect freedom and equality with his interviewer, there was not the embarrassment of a private citizen talking to a man who was already in the army, and counsel and advice were given without regard to any particular branch of the service. I know that one man, a diesel expert working in a country garage, was sent to a place east of Calgary, where a diesel expert was urgently needed in the army. I know that another applicant, who had served his apprenticeship on the Clyde and was an experienced shipbuilder, was not sent to the army or the navy or the air force, but was advised that he could best serve his king and country in the shipbuilding yards at Vancouver. And so on down the line.

I should welcome a statement from the minister as to what, if any, cooperation or coordination there is, with respect to recruiting, between the three armed services. I wonder how many hon. members are familiar with the situation of the young man who has volunteered his services for the air force and, although a period of three to six months has intervened, has not been called and is still carrying on in civilian life. We were told some months ago that the Department of National Defence for Naval Services had at that time a waiting list of 4,000 or 5,000. Where is the need to-day? Is it certain that these 5,000 men waiting to be called to the navy, these 10,000 or 20,000 waiting to be called to the air force, can best serve their country in those services? Who knows? Has anybody examined these men having regard to their potential capacities and abilities, in order to ascertain whether some who have volunteered for the navy could not better serve their country in the tanks or in the artillery? What is it that decides where a man shall go? Is it the needs of the country, or his training, or experience and background; or merely his whim or preference; or is it, who "gets to him" first?

Another question in my mind is, what cooperation is there between the three armed

forces in Canada in so far as their training is concerned? I have yet to hear of any place where the army and the air force are carrying out their training in cooperation with each other. That may have been done, but I was wondering, because I had not seen or heard that it had been done; and yet we are all aware that in every great battle fought so far in this war it has been the close cooperation or lack of it between the air force, the artillery and the infantry that has spelled success or failure as the case may be. I would welcome a statement from the minister, if he is at liberty to give one, as to the extent to which our two or three forces—because we have three now—are cooperating in training. What does the airman know about the ground tactics and operations of the infantryman. Is there any cooperation as between the navy and air force so far as training is concerned?

I should like to have a statement from the minister on another point, because I have had this thrown at me on two or three occasions, that once a man is in the navy he must perforce stay there regardless of his personal desires or training or ability, that he cannot go from the navy to the air force or from the air force to the infantry. I do not know whether that is well-founded or not, but only yesterday I received a letter from one of my constituents indicating that he was not permitted to transfer from one force to another. I would welcome a statement on this point.

Another question that has disturbed me a little is this. I should like to know if the minister is at liberty to tell us what, if any, has been the number of desertions from the Canadian army attendant upon departure from Canada for overseas, and what disposition, if any, is made of those who have deserted, if and when found. I should like to know whether or not desertion is a common practice or whether the department have knowledge of any extensive dismissals of persons from the army, the navy or the air force for any crime record or absence without leave, and whether such persons have gone to another district and reenlisted in one of the armed services. I am led to believe that there is a considerable number. Far be it from me to spread rumours, but I should like to know as a matter of fact what action is taken with regard to such persons.

There is one other question that is pertinent so far as the financing of the army and of the war effort is concerned. I should like to know with respect to the permanent staff whether they are still eligible for pensions. I believe that in the ordinary course of events they are entitled to pension after twenty-one years in the service. What happens to a man who is a sergeant or a corporal in the permanent staff and who since the outbreak of war, has become a major or a colonel—and I believe that has happened. Will he retire on pension at the colonel's rating, or will he retire at the status which he had at the time of the outbreak of war?

Mr. GILLIS: I agree with the member for Parkdale (Mr. Bruce) that the minister has been very patient and thorough in his answers to the committee on questions that have been brought to his attention. I wish to come back for a moment to the question of dependents' allowances in order to bring another category to his attention, because in my opinion this category is getting anything but justice. I refer now to the man who enlists and has a housekeeper. The reason why I bring this to the minister's attention is that I thoroughly discussed at least two cases with the allowance board, but I have not to date received any redress. I wish to submit one case in particular. The mother died in 1931, and the daughter at that time had to leave school, become the housekeeper and care for the rest of the family. The father enlisted fourteen or fifteen months ago. The family is receiving no income with the exception of the assigned pay of the father.

Mr. RALSTON: Is the daughter still keeping house?

Mr. GILLIS: Yes, and has been continuously since 1931. A younger brother at the present time is coming out of a sanatorium after undergoing treatment for tuberculosis, and on the 1st of May I received another letter asking whether something could not be done. This is not an isolated case. There are several of this kind, to my knowledge, and I presume there are a good many of them throughout the country. I have written to the minister to-day on the subject, and I leave this case specifically with him.

Mr. RALSTON: What reason did the board give for not making the allowance on account of the daughter who was in the position of housekeeper?

Mr. GILLIS: The only reason the dependent has received is that she does not come under the regulations within the meaning of "dependent", because she is a housekeeper, and is a daughter and not the wife of the man. That is the attitude they have taken right through the case.

Another thought I should like to leave with the minister is with regard to boys under age who enlist. I know that the regulations definitely state that no boy shall

go overseas unless he is nineteen, but there are many boys who are enlisting by covering up their ages. The reason for that is that in some instances the parents cannot keep them at school in the higher grades. The books cost a lot of money. Moreover, they cannot get employment when they leave school; they go to a recruiting officer and say they are nineteen; after they have been in for six or eight months taking training and are ready to proceed overseas, the parents produce a certificate, and the boy is taken out of the army. The point I make is that the boy is relegated back to the streets. There is no employment for him, particularly in the part of the country from which I come, and I am aware of many cases of this kind. Has the department ever given any consideration to the establishment of a boys' brigade or battalion such as we had during the last war?

Instead of wasting the training that has been given, sending them back to the street whence they came, would it not be better to place them in a trade school and give them some training for employment in industry which would serve a purpose now and fit them for something after the war? Many of these boys are going overseas at that age, and I know that, as happened during the last war, many of them who went over are weeded out. A boy seventeen years of age is not much good on active service; he is too young. I have a case in point to-day, a letter received from a father who has one boy eighteen years of age in England. The second boy, who is only seventeen, has now gone over. The father made application to the Department of National Defence, and he encloses to me a letter signed for the Adjutant, Captain MacCallum, dated April 10, giving him the assurance that this boy would not proceed overseas until he was nineteen years of age.

Mr. RALSTON: That is the younger one?

Mr. GILLIS: That is right. The next thing he knows is he is informed that the boy is in England, regardless of the letter of the adjutant. The question of boys under age is something to which I think the department should give serious consideration.

Another category about which something should be done is that of men weeded out of the army. I have seen many discharge certificates where men and boys were discharged by reason of being underweight, with no particular disability. Another discharge certificate would read, "Does not come up to the required physical standards." Again no particular disability. With regard to most people discharged by reason of being underweight, this is due to lack of proper food. Instead of sending these people back to the street—certainly no industry wants a man in that physical condition—if a period of training and proper feeding were given in a camp, the chances are that within a few months they would meet the required physical standards.

I thought these three points were worth bringing to the attention of the minister because I know there are many cases such as I have described.

Mr. RALSTON: In reference to the eighteen-year old boy, if he is eighteen I am instructed that he is kept overseas unless his parents desire him to come home. As to the one seventeen years old, the general rule is to discharge him. I must say that unless he applies or makes it noticeable what his age is and if he wants to stay in the army, I do not think he is "turfed" to use the army expression. But a case of this kind where the adjutant of the battalion told him he would not be sent overseas is to my mind absolutely unexplainable. There obviously it was accepted that he was seventeen and therefore he should not have gone overseas. Has my hon. friend written me about that?

Mr. GILLIS: Yes.

Mr. RALSTON: With regard to the nutritional cases, I am obliged to the committee for two or three instances becauses they all aid in discovering a general trend. I cannot understand the medical board discharging a man on the ground of underweight or that he does not come up to the required standard. I understand that discharges should be specific, indicating what the disability is. With regard to nutrition my hon. friend is perfectly right, and it was made clear in the statement by the Prime Minister in connection with man-power. He pointed out that it is and has been standard practice for the army to accept men for service who required only dental treatment, provision of glasses, or nutritional improvement, and they are to be given them. In the face of that statement of policy, I do not understand why a man is discharged for being underweight unless he has some functional or organic disability which means that he cannot be brought up to weight by proper nutrition. I shall certainly inquire into that case.

My hon. friend mentioned another case, the matter of dependents' allowances; I shall look into that. It sounds as if there should be an allowance for the daughter who is keeping house, and why it is not granted we shall have to find out from the dependents' allowance board. My hon. friend suggested that the regulations did not cover it, but I cannot

believe that; I am satisfied they do cover the case of someone taking the place of the mother.

Mr. GILLIS: It has been a matter of correspondence with the department, the allowance board, for the last five or six months.

Mr. RALSTON: The hon. member for Broadview mentioned that he would like to have put on *Hansard* the return with regard to pay and allowances and the emoluments of officers and members of the women's army. Since it is only part of the return I would ask permission of the committee to have this additional return put on the record. It is really a companion to the return I put on the other night at the hon. member's request. The return is as follows:

Supplementary Return to Order of the House of Commons No. 151
Dated 26th March, 1942—Mover, Mr. Church

1. What is the pay, sustenance allowances, and all other emoluments of officers and men of His Majesty's three forces?

2. What is paid also to officers and members of the women's army?

So far as the Canadian army (Active) is concerned:—

1(A) Pay

(i) Officers:

Regimental rates

Pay of rank	Per diem
Colonel	$12 00
Lieutenant-Colonel	10 00
Major	7 75
Captain	6 50
Lieutenant	5 00
2nd Lieutenant	4 25

Medical and Dental Officers

Colonel	12 50
Lieutenant-Colonel	11 00
Major	9 25
Captain	7 50
Lieutenant	5 00

Nursing Service—R.C.A.M.C.
(Regimental rates)

Matron-in-chief	7 75
Matron	6 50
Nursing sister and dietitian	4 25
Nursing sister and dietitian after 6 months' service	5 00
Home sister and Physiotherapy Aid	3 00

Additional Pay

Officers in command of units	1 00
Adjutants	0 50
Officers extra-regimentally employed with Headquarters of formations	0 50
Flying pay for authorized flights	2 00

(ii) Warrant Officers, Non-Commissioned Officers and Men

Regimental rates

Pay of Rank			Per diem
Conductor Master-Gunner, 1st class Staff Sergeant-Major, 1st Class Regimental Sergeant-Major Garrison Sergeant-Major Camp Sergeant-Major		("A")	$ 4 20
Foreman of works Clerk Signals Draughtsman Signals Accountant Signals Mechanist Engineer Accountant Topographic Surveyor Lithographic Engineer Draughtsman Armament Armourer	Sergeant-Major		
All other Warrant Officers, Cl. I		("B")	3 90

(ii) Warrant Officers, Non-Commissioned Officers and Men—*Con.*

Regimental rates

Pay of Rank	Per diem
Master-Gunner, 3rd class Regimental Quartermaster-Sergeant	3 10
Staff Quartermaster-Sergeant Quartermaster-Sergeant	
Squadron, Battery or Company Sergeant-Major	3 00
Warrant Officer, Class III	2 75
Squadron, Battery or Company Quartermaster-Sergeant Staff Sergeant	2 50
Sergeant	2 20
Lance Sergeant	1 90
Corporal or Bombardier	1 70
Lance Corporal or Lance Bombardier	1 50
Trooper, Gunner, Private, Sapper, Trumpeter, Bugler or Drummer (over 18 years of age)	1 30
Boy	0 70

Tradesmen's rates

Rank		Group "A"	Group "B"	Group "C"
All Warrant Officers, Class I	("A")	$ 4 95	$ 4 70	$ 4 45
All other Warrant Officers, Cl. I	("B")	4 65	4 40	4 15
Regimental Quartermaster-Sergeant Staff Quartermaster-Sergeant Quartermaster-Sergeant		3 85	3 60	3 35
Squadron, Battery or Company Sergeant-Major		3 75	3 50	3 25
Warrant Officer, Class III		3 50	3 25	3 00
Squadron, Battery or Company Sergeant-Major Staff Sergeant		3 25	3 00	2 75
Sergeant		2 95	2 70	2 45
Lance-Sergeant		2 65	2 40	2 15
Corporal or Bombardier		2 45	2 20	1 95
Lance Corporal or Lance Bombardier		2 25	2 00	1 75
Trooper, Gunner, Driver, Sapper, Private		2 05	1 80	1 55

Additional Pay	Per diem
Flying Pay for Warrant Officers Non-Commissioned Officers and Men for authorized flights	0 75

(B) Subsistence Allowance

Officers in receipt of Regimental rates of Pay	$ 1 70
Officers in receipt of special rates of pay	1 00
Warrant Officers, non-commissioned officers and men	1 00

(C) Dependents' Allowance—An award shall be for such an amount as the Dependents' Allowance Board may decide, but no award shall exceed:—

To wife, or if there is no wife, to the female relative maintaining a home for his children:—

	Per month
Officers above the rank of major	$60 00
Major	55 00
Captain	50 00
Lieutenant	45 00
2nd Lieutenant	45 00
Warrant Officer, Class I	40 00
All other ranks	35 00
First dependent child	12 00
Second dependent child	12 00
Third dependent child of ranks below W.O. I	9 00
Fourth dependent child of ranks below W.O. I	6 00

Other Dependent Relatives

Officers above the rank of major—up to	(maximum)	30 00
Other officers—up to	(maximum)	25 00
All other ranks—up to	(maximum)	20 00

Dependents' Allowance cannot be claimed for more than three dependents except in the case of ranks below Warrant Officer, class I, who may also claim for their third and fourth dependent children.

(D) Other Allowances

(i) Outfit allowance for officers of $150 on appointment.

(ii) Outfit allowance for warrant officers, class I of $100 on appointment.

(iii) Transport and travelling allowances when travelling on duty.

(iv) Transport and travelling allowances to their residence prior to enlistment, when discharged.

(v) Civilian clothing allowance on discharge of $35. If service less than six months, $27 in winter and $17 in summer.

(vi) Rehabilitation grant of thirty days' pay and dependents' allowance of 183 days' service completed.

2. The Canadian Women's Army Corps receives pay at two-thirds the rates for officers and other ranks of the army. They receive no additional pay. No dependents' allowance is paid on their behalf, and any dependents' allowance which they were receiving prior to enlistment is stopped when they become members of the C.W.A.C. Pay and allowances are as follows:—

(a) Pay

(i) Officers

Pay of Rank

	Per diem
Chief Commander	$6 70
Senior Commander	5 20
Junior Commander	4 35
Subaltern	3 35
2nd Subaltern	2 85

(ii) Warrant Officers, N.C.O's and Volunteers

Pay of Rank

Sergeant-Major, W.O. I	2 80
Quartermaster-Sergeant, W.O. II	2 10
Company Sergeant-Major, W.O. II	2 00
Staff-Sergeant	1 70
Sergeant	1 50
Corporal	1 15
Lance-Corporal	1 00
Volunteer, after 3 months' service	0 95
Volunteer on enrolment and Recruit	0 90

Tradesmen's rates

	Group "A"	Group "B"	Group "C"
All Warrant Officers, class I	$3 30	$3 15	$3 00
Quartermaster-Sergeant, W.O. II	2 60	2 40	2 25
Company Sergeant-Major, W.O. II	2 50	2 35	2 20
Staff-Sergeant	2 20	2 00	1 85
Sergeant	2 00	1 80	1 65
Corporal	1 65	1 50	1 30
Lance-Corporal	1 50	1 35	1 20
Volunteer	1 40	1 20	1 05

(b) Subsistence Allowance

	Per diem
Officers	$1 70
Other ranks	1 00

(c) Underclothing Allowance

An initial grant of $15 is provided to purchase underclothing, toilet articles and necessaries. A quarterly allowance of $3 is paid for the purpose of replenishing these articles.

(d) Other Allowances

(i) Outfit allowance for officers of $150 on appointment.

(ii) Outfit allowance for warrant officers, class I, of $100 on appointment.

(iii) Transport and travelling allowances when travelling on duty.

(iv) Transport and travelling allowances to their residence prior to enlistment, when discharged.

(v) Civilian clothing allowance on discharge of $35. If service less than six months, $27 in winter and $17 in summer.

(vi) Rehabilitation grant of thirty days' pay, if 183 days' service completed.

I think it was the hon. member for Calgary West (Mr. Edwards) who spoke of the matter of transfers. There is no right of transfer as between any of the arms of the service. That is, after a man is in as a member of one arm he cannot as of right ask transfer to some other. The procedure is that he applies to his commanding officer for transfer to the other service, and the considerations which influence the commanding officer in granting or refusing that request are obviously (1) how long the man has been training, how much time has been spent fitting him for the particular arm of the service in which he is, and (2) his usefulness in connection with that arm of the service. I think reasonable endeavour is made to meet his desires, but obviously if you had a man highly trained for a year or two as a signaller in a particular unit, the commanding officer would feel reluctant to let him go to some other arm of the service where perhaps that training would not be so valuable.

Mr. HANSON (York-Sunbury): What is the position with respect to transfer to different branches of the same service, that is in the army; say transfer to the ordnance or the infantry? Does the man there have some option, or must he go where he is put? I know an instance of a man who understood he was going to the ordnance from the very beginning, but he was put into the artillery. He did not want to go there. He had a bent for the ordnance. I am not sure that the case has been settled yet. I have been trying to help him fulfil his desire, but I realize that there are two sides to the question. Possibly he is not fitted for the ordnance. Someone higher up would have to make the decision, but there ought to be some flexibility in a case like that.

Mr. RALSTON: Well, he does enlist for general service and he can be transferred from one branch of the army to another; that is the legal position. Certainly his desires are consulted. There are cases, many of them, and this may be one, in which the recruiting officer may have told him he would be taken into the ordnance.

Mr. HANSON (York-Sunbury): I think that is the fact in this case. That is the representation to me.

Mr. RALSTON: Legally it is a case where he can be sent from one branch of the army to the other.

The hon. member for Peterborough West (Mr. Fraser) asked for a list of the places where advisory committees to the dependents' board of trustees had been set up. I have given him the reference, which is page 1932 of *Hansard*.

Mr. HANSON (York-Sunbury): Are they functioning?

Mr. RALSTON: Yes.

Mr. BLACKMORE: Is there any provision whereby a man in the air force at a particular training centre, desiring to be transferred to another training centre giving the same sort of training, may have that change made?

Mr. RALSTON: My hon. friend asks with regard to the air force, and I can answer only as to the army. In the army the man would be entitled to appear before his commanding officer and make the request, giving his reasons. That request would be considered, and the action taken would depend upon the exigencies of the service. The man has no right to a transfer.

Mr. HANSON (York-Sunbury): It is sometimes given on compassionate grounds?

Mr. RALSTON: Sometimes that is done on compassionate grounds; families may be located at one place or another, and for the time being the man may be allowed to go to a certain camp or centre. I am speaking of the army, not the air force, about which my hon. friend really is asking. I must say that we cannot take into consideration very much the compassionate grounds of which my hon. friend speaks. Obviously, since there are now training centres all over Canada, men would like to go to the particular training centre nearest their homes. That cannot be done, and very often it is obviously desirable that they should go somewhere else, in order to gain experience away from home.

Mr. GRAYDON: Some months ago, according to an announcement in the press and, if my memory serves me aright, an announcement also in this house, provision was made for the issuing of discharge buttons, or at least buttons which would indicate that a person had been rejected after having applied for enlistment in the active service forces. I was wondering to what extent these rejection buttons had been issued and what were the regulations covering their distribution.

Mr. RALSTON: There are two buttons available. One is the discharge button; that is to say, a man who has enlisted for general service and who later has been discharged, receives one type of button. The other is the applicant for enlistment button. The adjutant-general cannot tell me the number issued so far, but they are available on application.

Mr. GRAYDON: In connection with these applications for enlistment, if a man enlists for any particular branch of the service and is rejected, is a button issued by virtue of that application, or does it have to be a general enlistment?

Mr. RALSTON: If he is rejected by the army, that is sufficient. He must have a rejection from the army before he gets the applicant for enlistment button.

Mr. GRAYDON: Could the minister also give the committee some information with respect to the army train which is going across Canada at the moment, as to how long it has been in operation, and as to the personnel accompanying that train across the country?

Mr. RALSTON: It started on February 3 and, as I remember it, went first to central Canada, then east, and then west. I think it is due back very soon now. As to the personnel, Lieutenant-Colonel McKenna is in command, and the staff were selected by him in conjunction with the recruiting branch, or the adjutant-general's branch. This personnel were changed in the various parts of the country to which the train went. When the train was in the west, personnel from the west were put on the train, and in central and eastern Canada personnel from those territories accompanied the train.

Mr. GRAYDON: Was the purpose of the train to stimulate recruiting?

Mr. RALSTON: To stimulate recruiting and interest in the army. It was simply taking the army to Canadians at a time when we could not have demonstrations which would bring Canadians to the army. As the hon. gentleman knows, from time to time people have asked for armoured demonstrations. We have had detachments go to various places and give these demonstrations, but that could not be done in the winter. So it was suggested that we should use the railway instead of using the roads. In addition, I believe one car was devoted to the victory loan campaign, and part of one car to the Red Cross as well.

Mr. CRUICKSHANK: I should like to ask a question as a matter of information, because I have received a great many wires and complaints about it. Who advised the stops that were made in British Columbia?

Mr. RALSTON: I cannot tell my hon. friend that, but, as far as I know, I do not believe there was anyone in this house who did not advise stops. As a matter of fact, the adjutant-general tells me that a real endeavour was made to have stops at all places possible, where there might be interest shown. He says further that one factor which governed was the physical factor, that is, the length of the railway sidings at the various points, which decided whether or not the train could be accommodated there. So the railways had to be consulted in deciding where the stops should be made.

Mr. HARRIS (Danforth): Would the minister be kind enough after the dinner recess, or at some other convenient time, to make a general statement in connection with the recommendations brought in last year with regard to an interdepartmental committee functioning as between the different branches of the service, and so on? I think the minister knows to what I refer.

Mr. BENCE: There are two points I should like to clear up. The first is whether or not men in category C1 are being called up under the national mobilization regulations. The second is in connection with the buttons that were referred to by the hon. member for Peel. My understanding is that men in categories D and E are given these buttons but that men in category C1 do not receive them, though C1 men are being turned down for active service. In view of that fact I should like the minister to explain why these men are not entitled to buttons.

Mr. RALSTON: My hon. friend may not think it is a good reason, but the adjutant-general tells me that the man in category E is the only man who is almost definitely out. An E-category man may improve, but there is very little chance of it. There is much more chance that a C-category man may improve, and so far the button has not been issued to men in C category, because the time may come when they may be eligible for enlistment.

Mr. BENCE: By virtue of the medical qualifications being reduced?

Mr. RALSTON: By virtue of a change in their category. However, the matter is still under advisement.

Mr. BENCE: But that man is required to sign an undertaking that if the class in which he is placed eventually comes within the category of men eligible for active service, he will submit himself for further examination. So there is no reason why a C1 man should not be given a button.

Mr. RALSTON: My hon. friend is quite right, and it even goes further than that. As a matter of fact, the regulations under which the badges are issued provide that there is a right to recall the badge itself if subsequently the category in which the applicant

is placed becomes a category which should be called up. As I indicated, however, the matter is still under advisement.

My hon. friend was good enough to send his other question to me. That was whether any men in the medical category C1 have been called up under the National Resources Mobilization Act, as the regulations are administered. I think that is the question. Of course my hon. friend understands that under the general regulations any category could be called, but, as I understand the situation, under the instructions issued to the medical officers, at the present time the only men who are being sent in, who are being forwarded to the training centres after having been examined by the medical officer in the particular town, are men who have passed that medical officer as A. If they get into the training centre and, after being examined by the army officer, turn out to be B, but not lower, they are retained in the training centre. The specific answer to my hon. friend's question is that C category are not called in the sense that C category are returned home if, on examination by the local medical officer, they turn out to be in that category.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. GREEN: Mr. Chairman, when the Prime Minister announced the new orders in council providing for the national selective service programme he stated that provision was being made for the calling up of aliens, and similar statements have appeared at different times in the press. For example, we find in "Canada's War Record" of May, 1942, this statement:

> Liability for military service is being extended to all residents in Canada whether citizens or not.

There have also been statements in the press to the effect that the calling up of men who are not British subjects would have to wait for the conclusion of international negotiations with the countries of which those aliens are citizens. Would the minister tell us when these aliens will be called up and in what way they will be used by the armed forces? It would also be interesting if the minister could tell us what groups of aliens are to be called up.

Mr. RALSTON: That matter has not been settled yet. It is in the hands of the Department of External Affairs.

Mr. GREEN: What is the situation with regard to Canadians in other countries? Why is it necessary for Canada to enter into an agreement with each of the governments concerned?

Mr. RALSTON: Because I think each government as a matter of international law reserves its rights with regard to other nationals in its own country. But my hon. friend is getting me beyond my depth, and I do not propose to go into that matter at any length. I can only say that the matter is under consideration and, I believe, under negotiation by the Department of External Affairs at the present time.

Mr. GREEN: In what way will these aliens be used by the Canadian armed forces? Will they be put, for example, into the armed forces, or are they to be used on road work, or has the government some other plan in mind regarding them? Surely the government must have had some plan in mind when it decided to call up these men.

Mr. RALSTON: I think the decision was to open negotiations with regard to calling the men up. I cannot forecast in what way they will be used. So far as I know they will probably be used in the same way as others who are called up under the National Resources Mobilization Act.

Mr. GREEN: Go right into the armed forces?

Mr. RALSTON: That is what I say, so far as I know. I have no reason for thinking otherwise, except that they might be used for any other purpose for which they could be called up under the act.

Mr. GREEN: What is the present situation with regard to United States citizens in our Canadian forces?

Mr. RALSTON: There are two phases to it, as my hon. friend knows. One phase is that United States citizens in Canada were given a certain option to go back to their own forces, if the option was exercised by a certain date, and that date has been extended. There was a reciprocal provision with regard to Canadians in the United States forces. The other matter, the calling up of aliens in Canada, is still under consideration by the Department of External Affairs, along with the other question which my hon. friend mentioned which has to do with all aliens.

Mr. GREEN: Press dispatches yesterday stated that representatives of the armed forces of the United States would land at Saint John on May 5, which is to-day, apparently to make arrangements for giving United

States citizens who are serving in the Canadian forces an opportunity to transfer to United States forces. Can the minister tell us anything about that?

Mr. RALSTON: That is part of the agreement which has been or is being concluded between the United States and ourselves. The parties who are coming here are coming for the purpose of meeting, at various points across Canada, United States citizens in our own services who have elected to go to the United States, and arranging for their medical examination and details with regard to transportation and so forth.

Mr. GREEN: How many men in the Canadian forces will be affected?

Mr. RALSTON: No one has any figures on that so far as I know. I think I stated some time ago—it was just a general statement and was not made in connection with these negotiations—that there were from six to seven thousand United States citizens in the Canadian army. I also stated that including staff pilots there were—I am speaking from memory—at that time some 2,300 in the Canadian air force. That was some time ago, and I have no doubt that there are quite a number more who have joined the air force since.

Mr. BROOKS: Are not friendly aliens in Canada subject now to call by their own governments or by their governments in exile in other countries?

Mr. RALSTON: Oh, yes, they are subject to call under their own laws, but the Canadian government under international law does not necessarily assist in the enforcement of those laws.

Mr. BROOKS: But they are notified by their own government?

Mr. RALSTON: Yes.

Mr. GRAYDON: At an earlier stage of this debate I raised the question of easier transportation facilities for the men on active service and suggested that the minister might consider calling together a small committee of men in the ranks of the armed forces for the purpose of advising in connection with some of the matters to which I then referred. It is along that line I want to say a word further to-night. I am advised that in the newly organized United States army they have a system which I bring to the attention of the minister with some reluctance because it is not likely that he will pay any more attention to his civilian critics than we are justly entitled to but I hope this example may not be overlooked in the new disciplinary arrangements which the Canadian army has in mind. In an effort towards what is regarded as the democratization of the United States army, 3,000 questionnaires, each containing 118 questions, have been sent to a selected number of men in the ranks. In other words, these men have been asked to give essential opinions regarding several important aspects of the army's work. One of these questions asks how the services of the man in the armed forces may be made more efficient; another invites suggestions as to improvement of the army in efficiency, discipline and other respects. This approach to the troops may be said to follow out in a more comprehensive way the suggestion which I originally made of a select committee consisting of men in the ranks. Perhaps the reference of army matters to the "man underneath" is not so unorthodox a procedure as upon its face it may seem to be. In the formulation of future policies the minister might give some consideration to this suggestion which comes from the United States army itself. May I ask whether the department has any plans in mind which would lead to that objective?

Mr. RALSTON: As a matter of fact, we have an organization which was set up comparatively recently; we call it a special services directorate. It deals with just such matters as my hon. friend has mentioned—shall I say, matters of morale; that is part of it, on matters both inside and outside the army, suggestions either from civilians or from soldiers to improve the service of the individual, to employ his capacities more usefully, and also for the improvement of the army generally.

Mr. GRAYDON: Has the machinery actually been set in operation?

Mr. RALSTON: No.

Mr. BROOKS: There has been a questionnaire.

Mr. RALSTON: When my hon. friend says "machinery", no questionnaires have been sent out along the lines he has suggested, but other steps have been taken to secure opinions and views with regard to such matters.

Mr. HAZEN: I wish to submit to the minister one or two questions which will not take long to ask but may take longer to answer. Are the fourth, sixth, seventh and eighth divisions up to strength? Is each of these divisions fully officered? Is each of them fully equipped? If any of them are not fully up to strength, fully officered or

fully equipped, when does the minister expect to have them up to strength, fully officered and fully equipped? Who are the officers commanding these four divisions?

Mr. RALSTON: I thought the hon. member asked about the fourth, sixth and seventh.

Mr. HAZEN: The fourth, sixth, seventh and eighth—if they have been named. If they have not been named, does the minister expect that they will be named soon? Can he inform us also of the names of the officers of the brigades in those four divisions?

Mr. RALSTON: It will not take me long to answer the first question, with regard to the matter of strengths of the fourth, sixth, seventh and eighth divisions. I am sure my hon. friend will not expect me to give that information. The matter of the strengths of divisions and of units is not one on which I would make a public statement.

Mr. HAZEN: I did not ask for the numerical strength; I meant, were they up to strength? We know that they have an establishment.

Mr. RALSTON: It is the same thing. I do not think I should make a statement about that.

With regard to the names of the commanding officers. The name of the commanding officer of the fourth division is Major General F. L. Worthington, who was in command of the first army tank brigade in Britain, and who was brought back to command that division.

With regard to the officers commanding the sixth and seventh divisions, announcement will be made very soon. The eighth division is not far enough advanced in mobilization to name an officer commanding at the present time. Did my hon. friend ask another question?

Mr. STIRLING: Brigades.

Mr. HAZEN: I asked about the equipment.

Mr. RALSTON: The same consideration applies to the question of equipment. I would not make an answer with regard to the equipment of an individual division.

Mr. HAZEN: Well, the names of the officers commanding the brigades comprising the divisions.

Mr. RALSTON: The officers in command of the two armoured brigades of the fourth division are Brigadier Burns and Brigadier Thomas. Brigadier Hyde is in command of the support group of the fourth division.

With regard to the sixth division, Brigadier Leclaire, Brigadier Colquhoun and Brigadier Martin are the three officers commanding brigades. Brigade commanders for the seventh division have not yet been named.

Mr. NICHOLSON: One day last week I raised with the minister the question of the policy the government is following in connection with men who were on farms on the 23rd of March, when the Prime Minister announced the government's policy. I mentioned a number of cases. I have in mind one in particular where the man was on the farm until the 1st of April. I have received to-day a letter from the officer commanding in Regina to the effect that in view of the fact that this man's case was heard on the 27th of February, 1942, and he was granted postponement to April 1 and it was definitely marked "final; no action can be taken by this department". A letter dated May 1, from the young man informs me that they have 300 acres of land ready to seed and they have not been able to get any help. Could the minister make some statement in this connection in view of order in council 2251, which starts as follows:

> Whereas the Minister of National War Services and the Acting Minister of Labour report that there is a growing shortage of agricultural labour and that it is necessary for the effective prosecution of the war to take steps to stabilize employment in agriculture. . . .

Have these orders been relayed to the different officers concerned, and will the minister explain the relationship between his department and the Department of National War Services? The Department of National War Services informed me over the telephone that they have no further jurisdiction after a man has been called up by the army, and the officer in charge informs me that they have no jurisdiction because the Department of National War Services on February 27, before this order was passed, had reached certain conclusions. Could the minister make a statement as to whether some definite policy can be announced?

Mr. RALSTON: Did I understand that some decision had been made by the board on February 27, granting postponement or the reverse?

Mr. NICHOLSON: Until the 1st of April, but he was called on the 1st of April.

Mr. RALSTON: What is the situation now? Is there a further application for postponement?

Mr. NICHOLSON: Yes. The man has made his application to the officer commanding. The officer reports that a decision

was reached on this date in February and that they cannot do anything about it. The man is still in the army, although he was actually on the farm on March 23 when the Prime Minister announced the policy that was to apply to all men then engaged in agriculture.

Mr. RALSTON: One hesitates to deal with facts that are a little complicated; but it sounded to me as if the man, when he was called for the 1st of April, should have appeared before the board and asked for postponement on the ground that he was engaged in agriculture on March 23. He should have made his claim then. The rule is that if he does, and shows that he was wholly or partly engaged in agriculture at that time, the burden is on someone else, I suppose the army authorities or the Department of National War Services, itself, to show that he was still, even though wholly or mainly engaged in agriculture, not essential thereto. I do not know why he has not made that application. Perhaps he has. If he has not made that application and has gone into the service he may still apply to the commanding officer, who will refer the application to the board through the district officer commanding. My hon. friend refers to a particular case and I shall ascertain what has been done. This is one of those cases that would appear to bridge over the time of the zero date when men were frozen in agricultural pursuits. If the man is in the army and my hon. friend will send me his name I will endeavour to see what has been done about the matter. What the army has done is to agree to accept the recommendation of the boards which have been constituted under the National War Services Act in connection with applications of this kind, subject to military exigencies, as my hon. friend will understand.

Mr. DOUGLAS (Weyburn): I wish the minister would elaborate this matter. There has been a good deal of confusion with reference to it. I do not know that his department is as much responsible as the Department of National War Services, but my time during the Easter recess was almost entirely taken up with this problem. Nearly 1,000 men in Saskatchewan were due to begin training on April 9, but were on farms on March 23. I got in touch with the Department of National War Services, as many others did, and we were told that these men should report because their call came prior to March 23 and that therefore they had to report, but that if they reported they could make application to be allowed at least to go home for spring seeding. Most of the men got in touch with me and I passed that advice on. I told them that they must report and then make application for leave to go home for spring seeding.

That, however, has raised another problem, and I wish the minister would make a clarifying statement either now or later in the session. As soon as it was announced that some provision was to be made to give soldiers leave for spring seeding, scores of farmers wrote asking me and, I have no doubt, other hon. members as well, what steps they should take to have their boys given leave to come home for spring seeding, and this came particularly from men up in years farming large tracts of land. I did not feel personally that I ought to take the time of the minister or of his deputy, both of whom have a great many other things to do, by referring individual cases to them. What I did was to point out to these men the procedure which their sons must follow. I told them that they should apply to the commanding officer and that the application would be forwarded to the Department of National War Services and be decided upon. In many cases that worked satisfactorily. Some of these men have been given leave to go home and put in the crop, but I am now receiving letters in which soldiers say that when they go to the commanding officer they are told that he knows nothing of such a provision; that it must be a rumour, and therefore nothing is done about it. In some cases the application is accepted reluctantly and the men hear no more about the matter. Such communications come in every day. I hesitate to take up the time of the minister with these individual cases, but the matter is pressing so far as these people are concerned.

The other day I had a letter from the secretary of a municipality giving a list of elderly men in his municipality who will not be able to put in a crop this year if they cannot get help, and they cannot get help in the surrounding communities. The boys have not been able to get leave for seeding. This is what happens. If a young man happens to belong to a unit where the commanding officer understands the situation and is sympathetic, the boy gets leave, in some cases, for six weeks. The hon. member for Témiscouata (Mr. Pouliot) mentioned a young man who had been given six months leave, but there are few such cases. On a neighbouring farm, however, there happens to be another man whose son also made application and he has never heard anything about the matter. It is difficult to explain to two farmers why one gets six weeks, or six months as the case may be, and the other no leave. I imagine the difference is in the commanding officers,

but the people on the farms do not think so. They think one man must have more influence than the other.

Mr. RALSTON: It must be the government.

Mr. DOUGLAS (Weyburn): Yes. I wish the minister would make a clarifying statement with regard to applications for leave. If the commanding officers clearly understand that provision has been made that the application must be forwarded immediately to the war services board, individual cases will, I believe, be dealt with. Could the minister make such a clarifying statement either to the committee or to the commanding officers across the country?

Mr. CHURCH: If Hitler comes he will give us all leave to be slaves.

Mr. RALSTON: My hon. friend is under a misapprehension when he speaks of a provision having been made. The only provision which has been made is the provision that when an application is made for compassionate leave—not for seeding, but for leave under special circumstances—the commanding officer makes a recommendation, whatever it may be, and passes it on to the district officer commanding, who sends it to the board, and when the board makes a recommendation the regulations require that that recommendation shall be accepted, unless the exigencies of the service are such as to make it inadvisable to do so. But that is not leave for seeding. That is where the misapprehension arises. I tried to make it clear the other night that the army cannot spare a man for seeding, any more than can the air force or the navy, and that we should not be asked to take on two jobs. These units are being mobilized as rapidly as they can be; there is urgent need for them, particularly in some parts of the country, and we feel that we cannot agree to any policy which means the wholesale release of men who are in the middle of training to go back for seeding.

If there are individual cases of hardship, cases in which compassionate leave should be granted and which the boards think are proper cases, they are considered by the board. When my hon. friend says the commanding officer knew of no such provision, I think he must mean that the commanding officer knew of no such provision for granting leave for seeding, because I think all commanding officers know that we have delegated to the boards under the Department of National War Services the discretion in connection with proper cases of application for compassionate leave. That is probably not very satisfying to my hon. friends, and particularly to those who are writing and who apparently have the idea that there is actual provision for leave for seeding, but that is only in connection with depots and some home guard establishments, and I do not think it applies to any of the units to which my hon. friend refers, or to the training centres.

Mr. DOUGLAS (Weyburn): They apply particularly to young men in training under the National Resources Mobilization Act, a great many of whom have been in for but a short time. When I say "provision for seeding" I must not be misunderstood. I am aware that no general provision was made to allow any soldier to go home for seeding, but I think there was some provision that if a man could show that he was absolutely required at home and that those at home could not carry on the spring operations without him, some consideration would be given.

Mr. RALSTON: I do not think those considerations were mentioned. It was purely a procedural order in council that was passed. The idea was to get away from the idea that the army made the full decision; that is, to give people opportunity to make a special case under special circumstances, but I do not think it had reference to seeding or putting in a crop or agricultural operations alone. I think it had reference to compassionate leave.

Mr. CASTLEDEN: Along the same line, in case of applications for postponement coming before the commanding officer, does the decision whether or not a case shall be presented to the war services board rest entirely in the discretion of the commanding officer, or is he obliged to present it to the board?

Mr. RALSTON: He sends it with his recommendation, which may be that it be not granted, but he should send it forward to be decided by the board. Often I can conceive of cases in which the board has facilities for making inquiry very much superior to those which the commanding officer has, and it is very much more accustomed to hearing applications of this kind. I can understand one commanding officer may be pretty lenient and another pretty stiff in matters of this kind.

Mr. HARRIS (Danforth): I am sorry that committees are sitting to-night at the same time as this session, but the minister was kind enough to suggest before the dinner

recess that he would make a statement as to what progress had been made on recommendations which had come to his attention during the last ten months, and particularly in the November session, having to do with the setting up of the interdepartmental committee and several other economies. I understand the minister will make one comprehensive statement covering some forty recommendations.

Mr. BROOKS: If I might revert to the matter which we were just discussing, I have had some practical experience with it, and I might say that if individual members of this house are having plenty of correspondence, the commanding officers are also having their share of trouble in this connection. Possibly the newspapers are as much to blame as anyone. What we call part 3 orders are not always interpreted as they should be. There is a general impression that there should have been an exodus from the training centres and the army to the farms. As the minister has explained, there is an application for leave from the soldier himself. This application has to be accompanied by letters from two disinterested persons. They make a statutory declaration as to the facts, which is sent to the district officer commanding by the commanding officer of the unit with his recommendation. But I think the difficulty arises in connection with the A recruits and the R recruits. With the R recruits this provision applies, but with the active it does not, and I would imagine that the trouble to which the hon. member for Weyburn refers is probably due to men in the depots who are active service men coming to the training centres and not coming under the same regulations as the R recruits. They came in just about the time, March 23 to April 9. I know we had considerable difficulty; the men from the depots could not understand why they were not given the same consideration as the men who had been called up under the National War Services Act. A good deal of confusion has occurred on that account.

There are a good many applications in my training centre, and I judge the same is true all over the dominion. The men seem to think that all they need do is make application and their application should be granted. But it is supposed to be granted only on compassionate grounds and not as a matter of right.

Mr. POULIOT: I hope the minister will be able to give me some information about the young man I mentioned the other day who had six months leave given to him by the national war services board and who could not go back to his father's farm but instead was sent to Nanaimo.

I find this heading in the Montreal *Gazette* of March 27, "Compulsory trainees are nucleus of new coast defence divisions". In the Montreal *Standard* of March 28 there is a picture of the Minister of National Defence in an article entitled "Home Army". On May 2, I read in the Ottawa *Journal* a dispatch sent from somewhere in British Columbia by mail entitled "Popular French-Canadian unit now in Pacific defence zone. Regiment entrusted with important operational role on coast". What those young French-Canadians are doing on the coast is entirely different from what the Mennonites are doing there. The young French-Canadians are fighting for their country while the Mennonites are earning a dollar an hour working in the shipyards.

One thing of which I have to complain to the minister is that letters which are sent to soldiers or trainees in the army addressed to what was the right address a few days or a few weeks ago are not forwarded as they should be to the men where they are; they are sent back to the sender. I have many cases like that. In one instance it was sent to the first camp where the man went and afterwards it was sent back to me. I have here another envelope addressed to a soldier who was at Farnham. It is marked, "No Record; return to sender." He was forwarded somewhere else, either in British Columbia or even in Nova Scotia. The county of Témiscouata does its share in defending both coasts now. I have here another envelope that was addressed to a soldier at Coteau barracks at Three Rivers. I know the man is at Debert camp, in Nova Scotia; I heard that from his father, but the envelope has been returned to me from Coteau barracks instead of being forwarded to the man in Nova Scotia. There is no excuse for that. Soldiers are always glad to receive letters, and they should get their mail properly. It is done for civilians; I do not know why it is not done for soldiers and trainees in the army. There is no justification for it. I have here a letter I wrote to a soldier at Valcartier, in which I enclosed a copy of a letter I had received from the Department of National Defence. That letter also was returned. I have here the envelope; it was addressed to the soldier, giving his name and number, at Valcartier camp.

The situation is most unsatisfactory; it seems as though soldiers are not any better off than those in concentration camps. Of course there must be a reason for it. The

reason is to keep them away from home, to have another excuse for not giving them an opportunity to go back to the farms during the season of the year they are most needed. There is another man from my county, the son of a settler, who is at York island, British Columbia. These men do not object at all to defending their country, but a distinction should be made between trainees and soldiers. We have no defence at all in our part of the country. When the minister found that the defences in British Columbia were unsatisfactory he took some boys from Témiscouata and sent them there, and he did the same thing for the defence of Nova Scotia. Of course they are good men, but that is no reason for dealing with them as they have been dealt with. I bring this matter not only to the attention of the minister but also before this committee. I hope that when a wrong is revealed, that wrong will be redressed and those guilty of committing it will not be deified.

Here is another matter. The other day I was told that I had taken too long in mentioning the numerous branches of the Department of National Defence. It is not my fault that they are so numerous; I tried to be as brief as possible. I wanted to know what was the purpose of each branch and what was the cost of it, but I received no answer. The answer was given over the radio, at the expense of the Canadian people. Instead of giving the information here in the committee, so that it might be recorded in *Hansard,* the minister went on the air once more, and in a broadcast addressed to "Fellow Canadians" he said:

> Now on my shoulders rests the responsibility for seeing that the men and women for the army are raised, and clothed, and housed, and fed, and paid, and kept in good health, and equipped, and transported, and trained, and used where and how and when they can best be used to help to win this war.

That was on his own responsibility. Then in the following paragraph he said that those who had the responsibility for it would speak over the air again to give further news and more explanations. In the first place it was the minister who had the responsibility, he said, but then he went to to say that those who were really doing the work would explain what was being done.

I want to mention just a few facts to-day concerning my French-speaking compatriots of the province of Quebec and what they have done in the army. I had an opportunity to summarize, some time last summer, in an article published in the best weekly in Canada, *Le Saint Laurent* of Rivière du Loup, what has been done by French-Canadians since the beginning of the war. That article was translated and published in other newspapers, including the Ottawa *Citizen.* Two months after statistics were sent to a number of officials in the Department of National Defence with regard to French-Canadians—of course I waited for two months—I published this article to show my Canadian fellow citizens that the province of Quebec and French-speaking Canadians at large throughout this country were doing their share in this war, as they did in the last war. That article appeared on July 31 last, and part of it was reprinted in the Ottawa *Citizen* of September 3. Some figures are given and some facts stated. The translation goes on to say:

> A Tory organ, referring to the subject of voluntary enlistment in Quebec, has recently suggested that "the time has come to make known the figures of enlistment by provinces." Will it not be fairer to make the comparisons between the war effort of the French-speaking Canadians and that of the English-speaking Canadians?
>
> In the first place, the evidence of true history is there to prove that in 1914-1918 there was not a single unit without French-Canadians. They numbered 3,000 in the first contingent; but at that time General Sam Hughes refused to allow them to form a regiment.
>
> It is true that the second contingent contained the immortal 22nd Regiment, made up exclusively of French-Canadians; but there were also a great many French-Canadians in the English regiments of Ontario, Manitoba, Alberta and Saskatchewan, particularly in the Tenth of Calgary (now the Calgary Highlanders), of which R. B. Bennett was the honorary colonel. Our compatriots, however, were given no credit for this because there were no French-Canadian officers in those regiments.
>
> In two English regiments, the R.M.R. (Royal Montreal Regiment) and the 87th (Canadian Grenadier Guards), there was respectively a company composed of French-Canadian officers and men. In two other regiments of our province the proportion of French-Canadians was very high; but they were all rankers. There were no French-Canadian officers in the Royal Highlanders of Canada or the Victoria Rifles. In the latter regiment French-Canadians formed at least one-half of the strength and it was, apparently, as a posthumous homage to a considerable number of them that the regiment's flags were lodged in the Church of Notre Dame in Montreal.
>
> We must hope that the errors of the past will not be repeated indefinitely.
>
> It must not be forgotten that in the present war the Maisonneuve Regiment was the first to mobilize, among all Canadian regiments.
>
> A comparison between the total enlistments up to last spring (1941)—one year and a half after the start of the war—and those of twenty-five years ago, for the same period of the great war, shows that throughout Canada the figure was 18 per cent below that of the former period, while for this present war the enlistments in Quebec province have increased by 58 per cent.
>
> The number of voluntary enlistments in our province is already at the present time greater

by 15,000 than the total for the whole duration of the last war. Quebec military district has the honour of ranking fourth in the recent volunteer recruiting campaign, being surpassed only by Saint John, N.B., Halifax, N.S., and Winnipeg. It made a better showing than the three military districts of Ontario and those of Saskatchewan and Alberta, even of British Columbia. Quebec's percentage of the quota allotted was 122 per cent; at London, Ontario, the rating was 73 per cent, and at Victoria, B.C., 61 per cent.

Small wonder, then, that after a rapid inspection of the military camps, air fields and war industries of Quebec province, the British high commissioner to Canada, Right Honourable Malcolm MacDonald, should have said: "In the first place I congratulate Quebec in going over the top in the recruitment of men for the active service."

. . . . *LeDevoir,* over the signature of Emile Benoist, a former president of the press gallery, commented as follows on this intolerable situation:

"For month after month, ever since the war began, French newspapers, not only in Quebec but in the other provinces, too, have called for the recruiting of French-Canadian regiments outside Quebec province. Nothing was done about it. On the contrary, we have seen Quebec regiments, which we have always considered to be French-Canadian regiments, become mixed units to which Anglo-Canadian as well as French-Canadian officers are posted. This was the case, notably, for the Sherbrooke regiment and for the tank regiment of Three Rivers. We have even seen a Jew appointed to the command of one of these regiments, that of Sherbrooke. This same Jewish officer is to-day in command of one of the military camps in the Montreal district. Did the same thing happen in Ontario, for instance? Certainly not. Can you hear, not the noise, but the riotous uproar that would lift the roof in the Toronto hamlet if a Jew were appointed to the command of the Highlanders in that city?"

. . . . The conclusion is inescapable: It is high time to publish bilingual military manuals, to train French-Canadian officers in numbers commensurate with the proportion of French-Canadian soldiers, to open wide to them the doors of the military schools instead of merely leaving them slightly ajar, to entrust them with positions of command at the head of their compatriots even outside our own province, to preserve for French-Canadian regiments their French-Canadian character, to acknowledge the patriotism of all those French-Canadians who have enlisted in regiments other than those of Quebec province by giving them, besides officers of their own race, the legitimate hope of deserved promotion, of forming a French-Canadian brigade instead of trying to break up French-Canadian regiments, finally to allow to every French-Canadian fighter, in the army, the air force or the navy, the satisfaction of being treated as an equal by his English-speaking comrades in the three services, so that there will be no inferior race that is shouldered with all the risks and no superior race to garner all the benefits, all the gold braid and all the glory.

The reports were made and sent in by the various officers either at the end of May or at the beginning of June of last year, and the article I have just read was published on July 31. Two months later, or four months after the reports had been issued by officers who knew their business and who were not French-Canadians, the lamented Mr. Lapointe delivered a lecture in Quebec in the presence of His Excellency the Governor General, Her Royal Highness Princess Alice, and many other distinguished guests. He said that there would be some improvement for French-Canadians, that the manuals would be translated and that there would be more opportunity for promotion afforded to French-speaking officers. He said that there would be an opportunity for French-Canadians to get training as officers in Brockville under the direction of French-speaking Canadians from abroad and especially the officer, Colonel Blais. In that lecture the late Mr. Lapointe said that it was common knowledge that French-Canadians did not have the opportunity for promotion to which they were entitled according to their numbers in the army.

On the same occasion that Mr. Lapointe spoke, on September 25, Brigadier Vanier of Quebec said that he was happy to see these reforms in favour of French-Canadians in the army put into effect. The great mistake made by the Department of National Defence at the outset was not to mobilize the old French-Canadian regiments. The only door that was open to French-speaking Canadians who wanted to enlist was the door of the recruiting offices of the Black Watch and other English regiments. The French-Canadians did not get credit for enlisting in these regiments. I wrote to the Department of National Defence in January of this year and mentioned what Mr. Lapointe had said and what had appeared previously in the article. They told me that some regiments had been mobilized, and then in a paper dated March 30 I saw that four regiments had been mobilized.

In Montreal, on the slopes of Mount Royal, I think on Queen Mary road or somewhere around there, is a new armoury. On both sides of the entrance there were last summer posters for the Black Watch. These were bilingual, one side being in English and the other side in French, and they invited French-Canadians to join this English regiment. I saw these with my own eyes. Those who wanted to enlist passed there and they perhaps thought that it was their only opportunity to get into the army. They enlisted, but they did not get credit as French-Canadians for doing so.

In any country the minority has to suffer the slurs and attacks of those who want to

use the majority for their own aims. In all countries of the world the minorities have had to suffer because some of those who want to govern try to paint them black just as much as they can in order to give a false impression to the majority. This causes hatred and disunity, but it is what happens. My French-Canadian compatriots have been slandered and libelled because they have not been given the credit that was due to them for what they have done in this war.

Here is a clipping, for instance, from that great maritime paper the *Telegraph-Journal* of Saint John. It prints a letter which was sent to the paper and which reads in part as follows:

> To-night, in the Capitol theatre of Saint John, in this city which saw last summer at least one regiment of Quebec boys on their way to Hong Kong, the coats of arms of Canada and each one of all provinces of the dominion were shown in succession to a numerous public. Each of them drew a long and well deserved applause, warm cheers—except Quebec which was greeted with an eloquent silence and even an isolated but no less eloquent whoop. And I felt sorry for those poor Quebec boys, Hong Kong heroes, who voluntarily gave so much and were forgotten so soon.
>
> Twice I have seen the same subject presented to the audiences during the evening; twice I have witnessed the same results. I still cannot believe that so much blood heroically shed for our common survival and so much sorrow bravely accepted failed to win so little as a twenty-four hour praise and remembrance.
>
> If I know well the citizens of Saint John, what I have seen and heard in this circumstance was not representative of their true feelings. Jervis Bay will never be forgotten here, and this is to the honour of this city. Why should the Quebec boys who have been known here and fell heroically in Hong Kong be not equally honoured? Why such tragic oblivion?
>
> Saint John, December 25, 1941.

The letter was dated Christmas day, but there was not the Christmas spirit in evidence at that theatre.

I have here a clipping from the same paper under date of March 7, 1942, and it gives a tabulation of enlistments in the armed services in Canada by provinces. It is headed, "Maritimes in forefront of Canada as source of fighting man-power." It goes on to give Canadian enlistments to December 31, 1941, and there is a footnote reading:

> Quebec's enlistment unit should be divided between recruits of French racial origin and other racial origins, for which official figures are not available.

Not only that, Mr. Chairman, but we want to know the number of French Canadians who have enlisted in all regiments in this country, not only in French-Canadian regiments but in all regiments in all provinces, so that French Canadians will not be blamed when they do not deserve it. We are ready to take any blame that we deserve, but we do not want our compatriots to be left under unjust suspicion. By the way, what French Canadians have done in this war has been very highly commended, and it is too bad that these commendations have not always received the publicity they deserved.

What kind of propaganda do we find going on now in many of the newspapers? On the front page of the Montreal *Standard* of Saturday last, there is an article headed, "Canada losing a great friend"—"Our biggest failure." The article, by A. D. Dunton, is introduced in this way:

> This article is the first of a series written by the editor of the *Standard* after returning from a trip to the United States to investigate American opinion on Canada. Here he states the seriousness of the problem.
>
> Following articles will explain what must be done to tell our story to Americans.

It is unfortunate that the great American people are not better informed than they now are of what Canada has done since the beginning of this war. They should be told. "We are losing a great friend." Why? Just because the information bureau at the service of this government is not worthy of being kept. Not long ago, on April 15, on his way to Washington to meet Mr. Roosevelt the Prime Minister of this country expressed his views on this matter in an interview which appeared in the press, headed "Injustice to Quebec on war effort deplored by Mackenzie King here." That interview appeared in the Montreal *Gazette* and was given as the Prime Minister was passing through Montreal.

The Montreal *Standard* has published very good articles about this war. One appeared in its issue of April 18, entitled "How to sell Canada to the States". It says:

> "If you had more than 1,000,000 men serving overseas right now and lots more in training, would you think that the United States is properly in the war?" I asked. "Sure", said Harold. "That's a lot of men."
>
> "Well, in proportion to Canada's population that is the number we have overseas," I said.
>
> This conversation was transplanted from a New York apartment to the pages of our next week's magazine section.

That is the sort of thing that should be told. In my humble view, in proportion to population we have the equivalent of more than a million Canadian soldiers in England compared with the United States' effort in sending men overseas. In other words, our proportion of men sent overseas is very much higher than that of the United States.

What did Mayor LaGuardia say of Canada's effort, speaking in New York on April 9? In the Toronto *Star* of April 9, an article appeared on the front page, headed "Canada

effort equal to that of 100,000,000—Mayor La Guardia declares Canadians are doing swell job." I should like to see this article sent by the dominion government to be published as an advertisement in all the newspapers of the United States so as to destroy prejudice and hatred and especially to dissipate ignorance as to Canada's war effort.

Here is a clipping from *L'Etoile* of Lowell, Massachusetts, of April 29, 1942, reading:

I will translate it:

Strange to say, the province of Quebec, which has voted three to one against conscription has until now given more volunteers for overseas than the province of Ontario, which voted five to one in favour of conscription.

Some very interesting information was given out by the Department of National War Services on April 4 showing the number of men who had enlisted voluntarily in Canada by provinces, and this information was published in all the newspapers of the country. The number enlisted in Quebec was 2,109, and in Ontario, 2,116. The article goes on to say:

Major-General LaFleche stated that since October, 1940, a total of 120,305 men called up by national war services had reported to the military training centres and had been found physically fit for training. The men came from provinces as follows:

Prince Edward Island	1,013
Nova Scotia	4,718
New Brunswick	4,567
Quebec	38,433
Ontario	37,252
Manitoba	8,331
Saskatchewan	9,424
Alberta	9,024
British Columbia	7,543
Total	120,305

Of the above, 35,881 were trained by French-speaking officers and instructors, which was a great progress on what had happened before. The number of men requisitioned by the Department of National Defence was 35,740. The surplus of 1,692 men was accounted for as follows: Nova Scotia, 119; New Brunswick, 225; Quebec, 1,146; Manitoba, 14; Saskatchewan, 285; Prince Edward Island supplied the exact number of men called for; Ontario, Alberta and British Columbia were respectively 53, 40 and 24 men short.

Mr. RALSTON: What are those figures?

Mr. POULIOT: What I have here is a publication of the Department of National Defence, and it was issued to the press.

Mr. RALSTON: The Department of National War Services.

[Mr. Pouliot.]

Mr. POULIOT: I presume, whether it came from the Department of National War Services or from the Department of National Defence, it must be accurate.

Mr. RALSTON: It was a press release issued by the Department of National War Services with regard to the number of men required to report. It did not suggest that they had enlisted.

Mr. POULIOT: This document was very well analysed by Mr. Gérard Filion, a well-known and brilliant Canadian journalist, when he spoke at a meeting at Tetreaultville on April 15. He said:

(Translation) We are ahead of the other provinces and yet we are being ridiculed.

This is evidenced by the fact that no other Canadian province has subscribed to the victory loans to the same extent as Quebec. Quebec has more soldiers in training notwithstanding the fact that Ontario has a comparatively larger population. The voluntary system of enlistment is no longer successful in the remainder of Canada; only in the province of Quebec are its results satisfactory. Every month men are called for training. Ontario is constantly lagging, while we always supply more than our quota of men.

As regards voluntary enlistments for overseas service, the maritime provinces have supplied about 200 men over their quota. Quebec has supplied 1,146 over its quota. And the district of London, Ontario, the hotbed of orangeism, was 20 per cent short.

I entirely agree with him, except with regard to London, Ontario, being a centre of Orangeism.

Recently we had a visit of an army train. The publication which relates to it and which was distributed among those who went there is printed only in English. Something insulting was done by one of the fellows on the train. When it was at Quebec city, and when he was asked for information in French and was told that the gentleman who was speaking was addressing him in French, that officer was told that he did not hear any foreign language. This was in the press, that when the train went to Quebec a good French-Canadian visited the train and asked in French for information, and that fellow—probably a bloke—said, "Well, I speak no foreign language. Speak English, or otherwise you are not entitled to an answer."

Mr. RALSTON: Is my hon. friend stating what someone told him? Is this what the gentleman informed him?

Mr. POULIOT: It is in the paper.

Mr. RALSTON: I am not talking about the paper.

Mr. HANSON (York-Sunbury): Just pure hearsay.

Mr. RALSTON: I am asking, does the hon. member know the gentleman who was spoken to in that way by the officer?

Mr. POULIOT: It was in all the papers of Quebec, and I will send a clipping—

Mr. RALSTON: I am not talking about papers. I am interested to know if the hon. member knew the gentleman, if he had any information himself.

Mr. POULIOT: I cannot be everywhere at the same time.

Mr. RALSTON: I asked my hon. friend just one question, that is all.

Mr. POULIOT: Oh, yes, it is all right; but I wonder whether the minister will make an investigation to know who speaks like that to French-Canadians to provoke them. I have already mentioned in this chamber the case of a lady who received a visit one day from soldiers who came to arrest her husband who was supposed to be a deserter, while he was in England serving with his majesty's forces.

Mr. RALSTON: Would my hon. friend mind letting me see the newspaper clipping? All I am asking for is the name of the gentleman who was spoken to in that way. If he will give me the name of the officer or non-commissioned officer, or any information about the matter, he may be sure I shall investigate it.

Mr. POULIOT: I have another clipping from *Le Soleil*. I will give it to the minister.

Mr. RALSTON: I will just point out that apparently there is no mention of either the name of the gentleman who was spoken to or the person who spoke to him.

Mr. HANSON (York-Sunbury): Just pure gossip.

Mr. RALSTON: My hon. friend says that just because it is stated in the newspaper, that makes it true.

Mr. POULIOT: Oh, no.

Mr. RALSTON: If my hon. friend will give me any particulars of the gentleman who says he was spoken to in that way, I shall be very glad to have an investigation made in the most thorough possible manner.

Mr. POULIOT: On the other hand, when I reported the case of a man who was put in gaol because he had spoken French, the minister took advantage of the fact that there was an airport of the same name as the military camp there and he gave an answer relating to the military camp when I was speaking of the airport.

Mr. RALSTON: We may as well settle this now. I gave my hon. friend the fullest information; in fact I went further than I need have gone. My hon. friend did not take the trouble to find out what camp it was. He immediately assumed that it had to do with the Department of National Defence, and proceeded to make a charge about it. He found that it was not the army; that it was the air force, and he thinks I should have investigated the air force before I made any reply. I disclaimed that responsibility at the time, and I do so again.

Mr. HANSON (York-Sunbury): On the assumption that this debate is not going on, I desire to ask the minister one or two questions. Possibly we have heard enough of the kind of stuff that has been put on the record to-night. So I desire to direct the minister's attention to a situation with respect to recruiting which I think deserves some explanation from him.

A young man enlisting for active service overseas may, after a lapse of time, and his conduct being exemplary, apply to his commanding officer for leave to marry, and if the conditions are fulfilled he may get the consent of his commanding officer and he may marry, with the result that his wife gets dependent's allowance. A young man called up for training under the National Resources Mobilization Act may not marry, under the regulations, even with the consent of his commanding officer; and when he applies to his commanding officer, I believe, invariably the man is told what the position is, that so long as he has not enlisted for overseas service he may not marry. I have only to state the two positions for hon. gentlemen to understand the significance of the leverage on the young man in the training centre to enlist for overseas service. I cannot imagine any condition that would be more conducive to forcing men into enlistment for overseas service than desiring to marry and being prevented from doing so by the regulations of the department. I put it to the minister—and I do not want to generate any heat about the matter—that the situation which I have portrayed, and I believe accurately, is to say the least not creditable to this country. It is the back-door approach again to compulsory enlistment.

Mr. CRUICKSHANK: Does the hon. gentleman not believe in conscription?

Mr. HANSON (York-Sunbury): Yes, but let us be man-fashioned about it, and enter by the front-door and not by the back-door route.

Mr. CRUICKSHANK: Why talk about "total war," then?

Mr. HANSON (York-Sunbury): I am talking about a condition, and I am appealing to the minister to correct what I believe to be an improper position on the part of the military authorities. I can understand no more compelling reason to induce a man to enlist than that he shall be granted the right to marry, or I can understand no more discreditable position for a government department to take than to refuse permission to marry, other things being equal, unless he signs for foreign service on the dotted line. I do not think I am putting that case unfairly or too strongly. I suggest to the minister that it is a position which ought to be corrected. Undoubtedly these young soldiers should have the right to marry. In England they are encouraged to marry. I am told that there are 400 marriages a month among Canadians in England. That is all to the good, and we shall get some new blood in the country in the times that are to come, I hope. But marriage or no marriage, it should not be conditioned on a man's willingness to serve overseas or his unwillingness to do so.

Mr. CRUICKSHANK: He is no good if he will not serve.

Mr. HANSON (York-Sunbury): Please allow me to make my statement. I suggest to the minister that it is a position of which this country should not be proud, a position of which the department should not be proud. It is a position which the department should correct. Either a man is entitled to the right to marry on the merits of his own position, or he is not. He is entitled to marry or not to marry, irrespective of his willingness or unwillingness to serve overseas in the active army. I object to the position that has been taken. I do not think it is a proper position; I do not think it is a dignified position for this country to occupy. I have termed other positions the back-door route. I will withdraw that, and say that this is an indirect route to compulsion, to compulsory service, conscription. If we are going to have conscription let us have it, but let us have it by the proper methods. I ask the minister first of all if I have not correctly stated the position; I ask him, does he think it is a proper position, if so; and if he does not think it is a proper position, then I ask him to have it corrected.

[Mr. Cruickshank.]

Mr. RALSTON: Let me say to my hon. friend that I never heard of such a regulation or provision or instruction, implied or expressed. I have in front of me the—

Rights and obligations of the R recruit.

While an R recruit is attached to the training centre and until the normal time at which he should have arrived at his destination, the R recruit, except as otherwise provided in these regulations, shall have all rights, including, without limiting the generality of the foregoing, to pay and, if eligible therefor, dependents' allowance, provided, however, that if he reported to the basic training centre prior to July 1, 1941, and married subsequent to the time of his so reporting, he will be eligible to claim dependents' allowance in respect of such marriage and from the date thereof only on receiving the consent of his commanding officer to such marriage and on becoming a member H.D. of the Canadian army immediately on his ceasing to be attached to the training centre.

If my hon. friend knows of any instructions issued, which intimate to any commanding officer that he shall not give consent to marry unless a man enlists for active service, I should like to know.

Mr. HANSON (York-Sunbury): I will not give the minister the case. I refuse to do so in the interests of the man himself. I will not do it because the man will be a marked man always.

Mr. RALSTON: My hon. friend said that he was not going to generate heat.

Mr. HANSON (York-Sunbury): I won't.

Mr. RALSTON: I want to find out whether or not this is an isolated case or whether it is the rule. I am stating that I have never heard of such a thing. I am absolutely sure that no such instruction has been issued, and I say I am sure of that because I cannot imagine such an instruction being issued. The adjutant-general is here and he says that he has never heard of such an instruction. There may be an isolated case.

Mr. HANSON (York-Sunbury): The young man may possibly marry without the consent of his commanding officer, but he may not get the dependents' allowance without the consent of his commanding officer.

Mr. RALSTON: That is so.

Mr. HANSON (York-Sunbury): If he was taken into the draft after a certain date.

Mr. RALSTON: That is right.

Mr. HANSON (York-Sunbury): But if he will go active he will get the separation allowance; he will get the dependents' allowance. That is the condition of which I com-

plain. There is a differentiation between the man who is willing to go active and the man who will not go active.

Mr. CRUICKSHANK: Exactly the same condition applies to the air force.

Mr. HANSON (York-Sunbury): These are all on active service. They all have to get the consent of the commanding officer or they do not get the dependents' allowance. The young man in the reserve army, if that is the proper term, cannot get that dependents' allowance unless he goes active. That is what I am told is the practice. I will ask the minister to have an examination to see if the thesis I have attempted to lay down is correct. If so, I am going to ask him to have the position corrected, because there should not be a distinction between the two.

Mr. RALSTON: I say to my hon. friend that my instructions are—because he has used strong language—

Mr. HANSON (York-Sunbury): No.

Mr. RALSTON: What he has said he has founded upon a statement of fact which I am questioning seriously. I have in my hand the regulations for the reserve army, special, which have to do with these recruits, and it is provided that the recruit is entitled to dependents' allowance; that is the home defence man. He is entitled to dependents' allowance when he marries with the consent of the commanding officer, and I am instructed that exactly the same provisions apply to the active man—that he does not get the dependents' allowance unless he gets the consent of his commanding officer.

Mr. HANSON (York-Sunbury): The man who is active will get the consent; the man who is not active will not get it.

Mr. RALSTON: I challenge my hon. friend to produce a case in which a young man has been refused consent because of the fact that he was on home defence, and told that he had to enlist and go active.

Mr. HANSON (York-Sunbury): I am not going to give the case because that man will be a marked man.

Mr. RALSTON: Before my hon. friend made a statement of that kind he should have submitted the case to me. He has indulged in considerable rhetoric to-night on the basis of a statement of facts which I say I challenge in the most positive way from instructions which I have received. Exactly the same treatment, under the regulations, is laid down for both active and home defence men. Neither can get the dependents' allowance if he marries without the consent of the commanding officer.

Mr. POULIOT: I rise as a peacemaker. I rise in order to afford the hon. leader of the opposition and the hon. Minister of National Defence an opportunity to make love to each other as they do every time I speak. There is a saying that history repeats itself. We will go back twenty-five years. I will not say what has happened in the meantime, but I have in my hand a book, the "Life of Sir Wilfrid Laurier," by Oscar Douglas Skelton, and at page 546 of volume II I see that

the first shock to the sanguine supporters of the conscription act of 1917 came when it was found that of 404,000 of the first-class of unmarried men, from twenty to thirty-four, who had registered by the end of 1917, 380,000 had claimed exemption.

It states:

The next shock came with the announcement that there were 118,000 claims for exemption from Ontario as against 115,000 from Quebec (out of 125,000 and 117,000 registrants). Local tribunals, particularly in Quebec, were charged with being farcically lax; on the other hand the military representatives appealed nearly every exemption in Quebec, but allowed 90,000 in Ontario to go unopposed.

That is what happened during the last war. I have now the Montreal *Standard* of April 18 saying:

Enlistments increase with French-Canadians swelling army units.

While results of the plebiscite on April 27 are awaited, officials of the army recruiting depot at 1121 St. James street west disclose that recruiting has been picking up since the first of the month. The daily rate of enlistments has not only been increasing, but the percentage of French to English-speaking recruits has also been rising steadily.

During the month of January the average daily numbers of enlistments in all branches of the army was about 46; during February, when the question of the plebiscite was first raised, the daily average dropped to 36, and during March to 33.

The ratio of French-speaking recruits to English has steadily increased. In January it was approximately 6 to 5, in February about 5 to 3, and in March about 5 to 2.

There is one thing I regret deeply; it is that in all places where young boys go to enlist there is no picture of the commander in chief of the Canadian army, His Majesty the King. I wrote to the Department of National Defence asking if they were placing in those recruiting offices pictures of their majesties, and especially of the commander in chief of our army, His Majesty the King, and the answer was, "No; if they want any picture of the kind they have to pay for it." I think it would be much more useful to place

pictures of their majesties in recruiting offices than to send copies of speeches regarding the plebiscite, which was a waste of paper. It would have been better to use that paper to print a picture of the commander in chief of the army and give it a place of honour in our recruiting centres.

On January 1 the New York *Times* said that the United States army had promoted 575 to the rank of colonel. It was a great promotion on account of the new year. But now the picture is not so good as it should be regarding French-speaking officers in the army. Take, for instance, what happened in Hong Kong; how many were French-Canadians? There was a large number of French-Canadians there. We have no news of them, no more news now of those who are prisoners at Hong Kong than we have of the probe that took place not long ago. The number of French-Canadian officers was so small that they took men who had not a drop of French blood in their veins and put them down as officers just to show one or two more.

Mr. DUPUIS: Two officers from my riding were French-Canadians, both sons of Mr. Pierre D'Avignon, from Marieville.

Mr. POULIOT: There may be two, but there was only one there.

Mr. DUPUIS: Perhaps there was one from Témiscouata.

Mr. POULIOT: Oh, yes, and his name was Lapointe, a soldier, not an officer; we have no officers from our district. I am sorry that the leader of the opposition has vanished, like the prophet of old in his chariot of fire. Every time I have something to say that would be good for him to learn, he disappears.

Mr. ROSS (St. Paul's): Maybe if the hon. gentleman had something to say my leader would stay.

Mr. POULIOT: My hon. friend should keep quiet, in preparing such wonderful speeches as he does, when he compares his deskmate to Cicero and Demosthenes and others of the world's great orators—

Mr. ROSS (St. Paul's): I am not an orator like my hon. friend, but when I speak in the house I have something to say.

The CHAIRMAN: Let us come back to the question before the committee.

Mr. POULIOT: Just to please the hon. member for St. Paul's, I have here in my hand an editorial from a good paper although it is Tory, the Toronto *Telegram*, of March 25, 1942. It is headed "Secret proceedings of inquiry must be given in full to the nation". That is the Hong Kong inquiry. We want some information. We are entitled to have complete information about that and about everything, but everything is hidden. We have a right to get complete information about the usefulness of every branch of the Department of National Defence, as we have a right to know who was guilty in connection with the Hong Kong expedition. But we shall never have it.

The CHAIRMAN: Order. I would point out that the matter referred to is sub judice, and it is not in order to discuss matters that have been referred to the royal commission. I understand that a great deal of leeway is allowed in this committee, and some remarks have already been made on that subject, but I think that in the future conduct of this debate no further reference should be made to the royal commission or the subject matter of its inquiry.

Mr. POULIOT: Coming back to November 12 when the minister was away, the estimates of the department were in the hands of his colleague the Minister of National Defence for Air. I asked him a direct question:

> There was something else I read, this time not in the Toronto *Telegram* but in the Ottawa *Journal* of September 24, stating that a census of the religious beliefs of the troops was being taken. I do not see how it is possible to do that when it is not possible to learn how many French Canadians have enlisted in a certain regiment. All that information should be available.
>
> Mr. Power: It is on the attestation card. The man states to what religion he subscribes, and usually it is on his identification disc as well.
>
> Mr. Pouliot: That is fine, but I should like to know the number of French Canadians who are serving in regiments such as the Black Watch, the highlanders and so on.
>
> Mr. Power: I believe that information can be obtained.
>
> Mr. Pouliot: Thank you.

That is from *Hansard* of November 12, 1941, page 4695.

Since that I have got nothing in the way of information about the number of French-Canadians in the whole country who have enlisted in all regiments. That is what I want to know. If the figure is good, that is well; if the figure is bad, we are ready to take our medicine, but we want to know and we have a right to know. The amount of this estimate is $997,000,000. Is it not possible to take from this amount $100 or $200 to check the payrolls of all regiments in the treasury office and see the number of French names which appear thereon? Of course there might be

a very small proportion, a fraction of one per cent, of English-speaking men who have French names, as was the case with one officer at Hong Kong. But that would work both ways. There are some men with English names who do not speak English at all, while there are other men with French names who do not speak French, and the proportion in each case would be about the same. What I want to know is the number of French-Canadians who have enlisted in the army, and I have asked the minister for that information. I have already made that request, and if it is impossible to get an answer I think that is wrong and unfair, not only to the province of Quebec but to French-Canadians throughout the whole country. Why is it refused to us? We are entitled to that information.

Mr. RALSTON: It is not refused at all. I have told the committee; I have told the house and I have told the hon. member that the racial origin does not appear on the attestation papers. The idea now propounded by the hon. member, that of examining the names and taking those names to represent nationalities, would not give an accurate result, I do not propose to guess about a subject of this kind, and then have it said later that the figures were not correct. I say that to the hon. member. The only way to do it would be to take a census of each battalion and ascertain from the men themselves their racial origin; and at this stage of the war I have not regarded it as necessary to do that. I had an estimate prepared as to the time that would take, and I think even my hon. friend would be amazed to learn the time that would be required to have that done. One can see that you would have to go through all the battalions and inquire as to the racial origin of every man. That is why it has not been done; it has not been refused at all.

Mr. POULIOT: It is not done, but it is not refused. I may be making some progress there. But it is not impossible to get in touch with the men. The official in charge of the plebiscite got in touch with the men not long ago to ask them a silly question. Is it not much more important to know the racial origin of a man in the army? We must have it for the French-Canadians; we have a right to it. The minister questions the accuracy of taking the names. He knows, or he should know, that the proportion of English-speaking Canadians with French names is about the same as that of French-speaking Canadians with English names.

Mr. RALSTON: My hon. friend may know that; I do not.

Mr. POULIOT: Well, let the minister learn that.

Mr. RALSTON: I would not take it from my hon. friend.

Mr. POULIOT: What I say is right. When the minister tried to give me the lie, it was all right, but never for more than twenty-four hours.

Mr. RALSTON: I ask my hon. friend to withdraw that. I did not suggest giving him the lie.

Mr. POULIOT: Is that unparliamentary, Mr. Chairman?

The CHAIRMAN: Yes. I think the correction of the minister takes care of the situation. The hon. gentleman said the minister had given him the lie. The minister says, "I did not give you the lie," and the statement of the minister stands.

Mr. POULIOT: I thank you, sir, and I congratulate you upon your ruling, which is true to the old British traditions. The other day I quoted what was said, not by a civilian but by a most distinguished soldier, General Browne, about the possibility of the invasion of this country. I repeat it for the benefit of my dear friend the leader of the opposition, who has just come down from heaven, to use a euphemism. This was also quoted by the hon. member for Vancouver South, as reported at page 1905 of *Hansard,* when he said:

> I think General Browne gave the picture quite clearly when he was quoted as saying at that time:
>
> "The reserve force may have to fight and it must be ready to fight as soon as possible," he said.
>
> "After all, there is no more war overseas than there is here now, and we may have some here sooner than they have, in view of the threats to our coast."

That was the opinion of a general. Here is the opinion of a civilian, which has been enlarged upon in an editorial appearing in the Ottawa *Citizen* of September 3, 1941:

> Jean Francois Pouliot, member for Témiscouata, wrote with characteristic vigour in *Le Saint Laurent* (Rivière du Loup) on "The French-Canadian War Effort." The doughty champion of French-Canada's article is reprinted in part elsewhere on this page to-day.

That was what I read just a few moments ago, before the hon. member for York-Sunbury thundered so vigorously.

> Perhaps there is need to keep the English-speaking people of Canada better informed on French-Canada's contribution to the war effort. It would compare favourably in the war industries as well as in the number of enlisted men. It would at least help to offset a prevalent

opinion that French-Canada is responsible for preventing a total war policy as it should long ago have been adopted by the government of this country.

A more effective answer than comparative statistics, however, would be articulate leadership from an outstanding French-Canadian in favour of complete national service in Canada. Even for home defence, without insisting that every enlisted man should be liable for military service overseas, national service has to come in Canada. The present opportunist policy will almost certainly otherwise result in chaos.

It is to the credit of Jean Francois Pouliot that he is demanding a more comprehensive policy of home defence. He has urged the construction of military highways through strategic territory east of Quebec where the lines of communication are at present very slender. As a Canadian, however, the member for Témiscouata is too modest.

Some hon. MEMBERS: Hear, hear.

Mr. POULIOT: I should not have read that.

He could speak on the need of more effective defence measures in British Columbia, Nova Scotia and elsewhere as well as on the St. Lawrence river front. This form of leadership would put French-Canada's position in a new light. It would help to show that there is true Canadian vision as national in outlook in the Laurentian country as it is in Toronto, Calgary or Vancouver.

This is something to think about. The other day I quoted a statement by the Minister of National War Services, appearing in the Ottawa *Journal* of Friday, April 3, 1942, to the effect that the Canadian army was the most mobile of all the allied armies. Most mobile, yes; because an all-out war has been advocated and our army is going out of this country, so that we have nothing left here. All-out war—all outside Canada.

A member of this house, the hon. member for St. Lawrence-St. George (Mr. Claxton), made an address in Williamstown, Massachusetts, and this was referred to in the well known paper, the New York *Times,* of March 22, 1942. The headline is:

Asserts criticism has war time limit.
Brooke Claxton, at Williams conference, calls excess detraction "pure poison."
Canada's efforts cited.

I have no objection down to there, but this is what I do object to:

We cannot afford to fight in North America, dominion parliamentarian warns.

Imagine! If the enemy comes here, we must surrender at once. That is what he said; that is what is reported in the largest paper on this continent, perhaps the largest paper in the whole world. We cannot afford to fight! Is that not an invitation to the enemy? It is here in the New York *Times.* The five-minute rule should have been applied to his speech.

[Mr. Pouliot.]

Mr. MUTCH: Read it all.

Mr. POULIOT: I will send it over to my hon. friend and he can read it. My time is valuable. I asked the right hon. Prime Minister of Canada (Mr. Mackenzie King) on February 16 if he could give any guarantee that this country would not be attacked before the end of this war. He replied that he could not give such a guarantee without major reflection, and of course the guarantee was not given. It could not be given. My idea of defence is the proper protection of the shores of this country. No Canadian, no member of this house should be allowed to go outside this country and say that it is impossible to fight to repel an invader who is bold enough to come here. The enemy who dares to attack Canada can be repelled only if we have an army here. Otherwise we shall not be able to repel an army which is well-equipped. You cannot do that with your fists, even if you are a champion prize-fighter. We must have a trained and well-equipped army.

The figures we have been given lead us to believe that this country is not defended as it should be. Unless we have some more information about it, I will not cease to insist upon having proper defence in Canada in order to protect our people, our country and our homes. On March 3 the Minister of Justice (Mr. St. Laurent) stated in a broadcast that our enemies had their eyes set on our country. The Minister of Munitions and Supply (Mr. Howe) said the same thing on March 6 in Toronto; he stated that we were exposed to attacks from the enemy. On March 9 the Minister of Labour (Mr. Mitchell) stated in the house here that it would be a miracle if we won this war. On March 13 the Minister of Justice warned us that the nazis eye Canada. Captain Maurice Burke, at the conference of the association of children's aid societies, said "it cannot happen here" is held too prevalently. He said it was undermining belief reflected among men and women all over Canada. We are not concerned about that!

What did the Prime Minister of Australia do? On March 14, Mr. Curtin made a stirring appeal. He said that his country was the last bastion between the west coast of America and the Japanese. The Toronto *Telegram* of March 25 said that the U-boats may try raiding the St. Lawrence in the summer. I made reference to this dispatch not long ago, but now I hold in my hand the page from the Evening *Telegram* of March 25. The interview in question covers a whole column. It is headed:

Three services defending maritimes ready for visits by Hun craft, is assurance.

That was what was said by Vice-Admiral P. W. Nelles, chief of the naval staff and Rear-Admiral G. C. Jones, in command at Halifax. Then here is a report in the New York *Times* of April 6 of this year, not so long ago:

Some ports lag in preparations against raid peril.
Few coastal centres ready, but most are found ahead in some precautions.
Many cities lack sirens.
Joint fire-fighting tools are not widespread and not many shelters are built.

That was on the first page of the New York *Times*. Then Mr. Godbout, the distinguished premier of Quebec, stated on February 20 that Quebec was in imminent peril of possible attacks. Then the Hon. Doctor Manion, former leader of the Conservative party, said on April 13 that A.R.P. is the duty of all. Here are the headlines:

National director declares every individual and municipality must act.
Coast work praised.
B.C. and maritimes "in splendid shape" he asserts after dominion-wide inspection trips.

That was on Monday, but the paper of Saturday contained a picture of the first siren that had been installed in Quebec city. A.R.P. work there apparently was not so good. I think the people do their best, but they have no protection whatever from the Department of National Defence. Here is what happened in Australia. The *Citizen* of March 27, 1942, contained this headline:

Australian troops return for defence of continent.
All imperial forces government intended to recall for home defence now safely back at stations.

The Anzacs were in every part of the world, and when the motherland was attacked they had to send an S.O.S. to the United States. Home defence for India was urged. Who would have believed a year ago that the Japs would have reached India now? The Burma road was considered safe, but now it is in the hands of the Japs. It is not enough to say that we never thought it would happen, and then make a glorious retreat. I will tell something else to the Minister of National Defence. He should not put in the heads of soldiers, whether they are going to enlist or whether they are already in the army, the idea of sacrifice. Sacrifice is for the civilian, but our soldiers should have in their heads, their hearts and their minds the idea, not of sacrifice but of victory. This should be the inspiration of all our soldiers, and it is the duty of the Minister of National Defence to guide them in that direction.

More and more men are being called to the colours all the time, but we see very few of them. Of the hundreds of thousands of trained men that Canada has, there are only, according to the statement made by the minister the other day, 15,000 trainees at present in Canada to defend our shores.

Mr. RALSTON: Nothing I said would give the slightest ground for a statement like that.

Mr. POULIOT: Then what were the 15,000 for?

Mr. RALSTON: I said it was home defence members of the Canadian army. As a matter of fact, only 10,000 of them were in the units. About 5,000 were in the training centres and the depots. That has nothing to do with the other matter at all.

Mr. POULIOT: Does the minister not consider the trainees as fully trained soldiers—young trainees like those sent to Hong Kong, without sufficient training, according to his own admission?

Mr. RALSTON: I have not interrupted before, but I think it is about time for me to ask you, Mr. Chairman, to give your ruling as to whether or not the Hong Kong inquiry is to be the subject of debate in this house before the report is presented.

The CHAIRMAN: I have already called the attention of the hon. gentleman and of members of the committee to the fact that the Hong Kong incident cannot be discussed either in committee or in the house before the report of the commission has been received.

Mr. POULIOT: On January 8, the Ottawa *Journal* said, "Increase quota of men called," and on April 1, the Montreal *Gazette* said, "Call-up of B men for home army is under consideration by Ottawa."

Then, on April 2, the Montreal *Gazette* had an article headed "Ralston 'not wholly satisfied' with Pacific coast defences." This again has appeared in the press and, since it has not been denied, I presume it is a correct report of what the Minister of National Defence said at Nanaimo, British Columbia.

Mr. RALSTON: I said it last night in the house.

Mr. POULIOT: But I was not here, and so I am quoting from the press. I enjoy very much listening to the hon. minister, and when I hear him make a statement I never forget it.

This is worth underlining. On April 1 the Minister of National Defence was "not wholly satisfied" with Pacific coast defences, but the very next day, on April 2, his colleague, the Minister of National Defence for Air, who accompanied him, tried to correct the bad impression that had been left by the interview given by the Minister of National

Defence, and this is what the minister for air said. I quote the headline—"Power reports coast defences much improved." They were improved overnight!

Further, to correct the impression that had been left by himself, the Minister of National Defence gave an interview, which is headed "Ralston impressed by competence of coastal defenders." He had not been impressed by the Pacific coast defence, but he was impressed by the coastal defenders, who were probably men from Témiscouata. They made a great impression on him.

Then, on April 2, as reported in the *Citizen* of April 3, the minister for air said, according to the headlines, "pilots not needed in Britain now—asserts so many overseas, no more wanted at present—foresees Canadian defence expansion." Then the Minister of National Defence again plunged into this matter of Pacific coast defence. At Winnipeg the Minister of National Defence gave another interview:

> Ralston gives men warning on joining reserve army—may find themselves ordered to join up if they fail to do so voluntarily, defence minister says.

That was the heading of a Canadian Press dispatch from Winnipeg, dated April 6. The Minister of National Defence then went to Halifax to inspect our defences.

I have another clipping here, dated Victoria, B.C., April 1, headed: "May conscript men for reserve army—Ralston." That is what the Minister of National Defence said at Victoria, and he repeated this at Winnipeg on his way back to Ottawa.

Here is another clipping dated March 27, headed:

> Married men of 30-35 may join reserve army, defence minister says—new order being issued permits those in these age categories to enlist. Previously recruits for reserve army had been limited to youths under 19 and men between 35 and 50 years. Colonel Ralston states it will cost nearly 600 millions to maintain army overseas in next fiscal year.

Mr. CRUICKSHANK: If the hon. member will permit a question to clear up a doubt in my mind, am I to understand that he does not entirely approve the Minister of National Defence?

Mr. POULIOT: I hold the same views with regard to the Minister of National Defence as my hon. friend the member for Fraser Valley does.

Mr. CRUICKSHANK: Then let me express mine for the rest of the evening.

Mr. POULIOT: Since the minister does not seem to know our views, I have to tell him what they are.

[Mr. Pouliot.]

Mr. ROSS (Souris): Mr. Chairman, I desire to ask a question of the minister.

Mr. ROEBUCK: Mr. Chairman, I rise to a question of privilege.

Mr. ROSS (Souris): Mr. Chairman—

The CHAIRMAN: A question of privilege is in order at any time.

Mr. ROEBUCK: I want to call the attention of the hon. member for Témiscouata to something that he mentioned in the early part of his speech. He was denouncing racial intolerance in his rounded style, and of course he knows that I agree with him in any denunciation, no matter how vigorous it may be, of racial, religious or any other type of intolerance. The hon. member for Témiscouata spoke of some Jewish gentleman holding an officer's position in the province of Quebec and he asked: "What would be said were a similar condition to exist in the province of Ontario."

Mr. ROSS (Souris): What is the question of privilege?

Mr. ROEBUCK: I think it is a question of privilege. At any rate it is one of indulgence, if not of privilege, and my hon. friend across the aisle waived his right to proceed.

Mr. ROSS (Souris): The Chairman said I must.

Mr. ROEBUCK: I am not saying that you must.

The CHAIRMAN: The Chairman must consider the facts as he sees them. The hon. member for Souris sat down, I understand to allow the hon. member for Trinity to proceed.

Mr. HANSON (York-Sunbury): Only after the hon. member for Trinity had said that he was rising to a question of privilege. We want to know what the question of privilege is. The hon. member for Souris did not waive his right to allow the hon. member for Trinity to make a speech.

The CHAIRMAN: I understand that the remarks which the hon. member for Trinity is proceeding to make are of the nature of a question of privilege in respect to the remarks that have been made pertaining to racial prejudice.

Mr. HANSON (York-Sunbury): But he must state what his question of privilege is.

Mr. ROEBUCK: It is with respect to my own province, Mr. Chairman, and with respect to my own constituency. My hon. friend intimated that there would be objection to

a Jewish officer in the army in my province, and I think I am right in claiming privilege in order to set that right. There is where the privilege lies.

I want to point out to this committee that there are at least two Jewish officers from Ontario whom I can name, because they are in public life. One is, now, Captain Croll, from the provincial legislature; and the other is Lieutenant Factor, from this house. I want to state emphatically that I have never heard in Ontario or in the city of Toronto any objection based on those facts.

I do not want to claim for my Ontario compatriots greater virtue than they possess. I like to give them more credit, perhaps, than is their due, rather than less; I like to err on the side of too much rather than too little credit.

It is true that we have classes in Ontario. I do not doubt that Catholics like Catholics better than they like Protestants; that Protestants perhaps like Protestants better than they like Catholics, and the two may like themselves better than they like the Jews; Jews may like themselves better than they do some other class. That is natural. But I think it should not go abroad that there is any distinction in the position of officers in the army, as between these various classes of religion or race. I am satisfied that whatever intolerance you may meet with from individuals—and sometimes things occur in organizations such as the army which are regrettable; I have heard of them—the great masses of the people of our province would disapprove in the strongest terms any distinction being made as between the members of these classes. Our people are prepared to accord to Jew and Gentile, Protestant and Catholic alike, the credit which is coming to them for their ability and service, and the promotion which they may win in the army or anywhere else, quite irrespective of racial prejudice. I am sure that the hon. member for Témiscouata will be glad to hear me say that, and I hope that he will agree with me.

Mr. ROSS (Souris): I appreciate all that has been said by the hon. member for Trinity. We have listened to my good friend the hon. member for Témiscouata for two periods of forty minutes within a period of an hour and a half this evening, and I confess I think that in some respects he did his people an injustice. Many times in this chamber I have refrained from saying something which might foster racial misunderstanding in this country. He has given the results of quotas filled and percentages by provinces, and I believe that in so doing he placed the actual facts in a false light, because quotas are not based on a population or per capita basis in this country; I think that is true. I have here a return given on December 31, 1941, on a percentage basis of voluntary enlistments for the active army, the air force and the navy. The percentages by provinces are as follows:

	Per cent
Alberta	5·0
Saskatchewan	3·7
Manitoba	5·7
Ontario	4·6
Quebec	2·3
British Columbia	5·7
New Brunswick	5·4
Nova Scotia	6·0

I believe that those figures are based on the actual numbers who have volunteered for service in all of the armed forces. I listened some time ago to an explanation by the Minister of National Defence for Air of how these quotas were set up. I am satisfied that they are not set up on a per capita basis or according to the population of the various districts or provinces. Would the Minister of National Defence now explain just how those quotas are established? I believe he will say that they are not established according to population, and he might give us an explanation as to the basis upon which they are set up. I believe the public throughout the dominion would welcome this information at the present time.

Mr. RALSTON: I may say to my hon. friend that I was asked the same question last evening, and I stated at that time the general principles on which the quotas were based. They are also set out in a return which must be somewhere near the return from which my hon. friend has quoted.

Mr. ROSS (Souris): They are not based on population.

Mr. RALSTON: They are based on population and on activity in the particular district in connection with the active and non-permanent militia, and on recruiting records.

Mr. McCANN: The hon. member for Témiscouata has run the gamut of the most imaginative and exhaustive catechism which one can conceive of, but he has left one or two questions on which I should like a little enlightenment, and to which he did not refer.

One has to do with a call which is being made in military district No. 3. It appears that men from twenty-one to thirty years of age are being called there for military service, whereas in other military districts more thickly populated the call is for men from twenty-one to twenty-five. I can understand that probably the reason for that is that the quota

in some of these districts would not be filled if the age limitation were not broadened to some extent. But there has been what is, I think, a legitimate complaint on the part of a number of men in the age groups from twenty-seven to thirty years who have been married since July, 1940, and who are now raising young families, but who for military purposes are not regarded as married, that they should be called from a particular district when young unmarried men of the same ages in other districts are not called. That, I think, is a reasonable complaint. I have had a large number of protestations in that particular regard.

Another matter, entirely different, on which I wish to say a few words has to do with the medical services of the armed forces. This afternoon, when the hon. member for Parkdale was speaking, he had something to say with reference to the rehabilitation of men in the armed services who suffered from certain disabilities. He made particular reference to those who suffered from hernia, and he gave it as his personal opinion that such men could not be rehabilitated, or at least that they were not being rehabilitated, and that if they were going to be operated on, it would be necessary for them to have expert surgical intervention. If I understood the minister correctly, he stated that that was the opinion of the medical staff. Am I right?

Mr. RALSTON: I believe the Minister of Pensions and National Health said that. I do not think I did.

Mr. McCANN: I must take exception to his statement. I do not concur in that opinion.

Mr. RALSTON: I think the only intervention I made in that connection was to ask the hon. member's opinion with regard to double hernia, whether that could be cured. I do not think I expressed that opinion on behalf of the officers of the department.

Mr. McCANN: That observation with reference to double hernia was made, if my memory serves me aright, subsequently to the other observation. I say that I do not concur in that opinion, and while the hon. member for Parkdale is generally regarded as having been one of Canada's best surgeons, and he made a report on the war services for the war of 1914-18, I feel that he does not express the modern opinion of the medical and surgical fraternity in Canada when he makes a statement to that effect. There is no country in the world that has higher standards of medical services and medical education than we have in Canada. That is pretty generally accepted, and the proof of that is that of our hospitals, whether they be large institutions or the smaller ones in the smaller industrial communities, a great number have been given the approval of the American hospital association. That is perhaps the last word of commendation there is on this continent.

I want to revert to what I was speaking about with reference to what the hon. member for Parkdale said, having to do with operations for hernia. Every day from one end of this country to the other that operation is being performed by thousands of young Canadian surgeons who are rehabilitating men back into our industrial and agricultural life. That is proof that it can be done equally well by the medical services in our armed forces, because the medical services in the forces are exactly the same men, with very few exceptions, who had been in civil practice prior to the war. Having said something to the effect that our standard of proficiency, both in our institutions and as regards our medical and surgical men, ranks with the highest in any country in the world, it appears to me that when that service is translated into the armed forces, whether that be in the army, the navy or the air force, we have a let-down. There is a drop in that standard and those very same men who have been in civilian life practising are spoken of disparagingly and are as not as well regarded as they were in civil practice.

We have three medical services, one for the armed forces, one for the navy and one for the air force. I am of opinion that the three services are not necessary. There is duplication of service; there is duplication of expense in connection with hospitalization. However, I am not going to labour that point. That, as a matter of policy, has been established and this would be the wrong time to change it. I did make suggestions along that line at the beginning of the war and they were not accepted. The three services have now been established and I am of opinion that perhaps it would be a serious interruption in our medical services if the policy were changed at this time. Not only is it expensive from the point of view of dollars and cents, but it is a very expensive service from the point of view of our man-power. Already to date about 2,000 medical men have been taken from the civilian services and put into the armed forces, all of them on a voluntary basis, men who rank among the very highest in the medical profession in Canada. Within the last few days a call has gone out from the medical staff asking for another 600 men. I am sure there will be a call very soon, if our forces are to be augmented, for more medical men for the navy and the air force. It is estimated that

in all it will take another 800 men. That being the case, it would mean 2,800 men in the medical services.

We have about 11,000 medical men in Canada for a population of 11,000,000. These men are being asked to enlist. Our medical men are troubled. They are asking themselves whether they could perform a greater service by going into some of the medical services in the armed forces or by staying at home and continuing in their civil practice. There are communities in Canada, not in the cities I will admit, where medical men have to service as many as from four to five thousand people. Then there is the fact that we have in industry in this country approximately 700,000 people. If our industrial production is to be what we would have it; if it is as important as we are led to believe, then the men in industrial and agricultural life in Canada are equally entitled to medical service with those in the armed forces. Therefore it becomes a question whether these men should enlist in the armed services, or should remain at home and carry on their civilian duties.

I had something to say with reference to a let-down. The standard does not appear to be as high as in civil life. There must be some reason for that, and the only reason I can see is that there is poor distribution of the men who are in the service. There could be a better allocation of the work which the medical men have to carry on. We believe that every man in the armed forces when ill should have the advantage of the best and most skilled medical and surgical treatment and should be treated just as well as if he were a civilian. I sometimes wonder if the men are given that treatment, if they are given all the protection which the medical services can give them, or if some of the regulations or the concepts of those who are on the permanent staff are as up-to-date as they should be.

May I refer to two or three particular matters in regard to which I have some doubt as to whether or not they are being carried into effect; and I can assure the minister that, with reference to some of them, I think our policy should be to carry out certain preventive measures. Let me refer particularly to the Wassermann test. According to my understanding, that is a matter of choice to those who are in the services, whether or not they shall be given that test. In my judgment the Wassermann test should be given every man who goes into the armed services. It should be given to him also upon discharge from the army. Let me call this very interesting information to the attention of the committee. The number of syphilis cases reported in Ontario last year showed an increase of 66 per cent over the 1940. We medical men understand—

Mr. RALSTON: That is in Ontario.

Mr. McCANN: Yes.

Mr. RALSTON: Not in the army.

Mr. McCANN: No, not in the army. This is, in my judgment, a serious matter. If we had a 66 per cent increase in the number of cases of syphilis in Ontario in 1941 and a proportionate increase during 1940, then since the war started there has been a marked increase. It is generally regarded that in war time there is likely to be an increase in these social diseases; that is taken for granted. One can readily imagine the reasons. But knowing the facts as we do, our medical services in the armed forces should take every precaution that these men are protected both by preventive measures and by good social measures from contracting the disease, or, if they have contracted it, it should be diagnosed by means of the Wassermann test, and they can undergo treatment while in the army without losing any appreciable time.

All our armed services in all branches should be given protection against diphtheria. That is a very simple matter. A great number of the younger men in the forces have been protected by inoculation earlier in life. In Ontario we are proud that diphtheria has been almost entirely eradicated. That is due to the fact that the practice of toxoiding has been carried into effect. In England they had 63,000 cases of diphtheria last year. We are sending over 150,000 young men to England where diphtheria is prevalent and where they are not given the protection which they could be and should be given before they leave this country.

There is another matter along the same lines which I should like to mention. Every man in the armed forces should be typed as to his blood. That could easily be recorded on his identification disc. The way that would work out is this. If a man meets with a serious accident or has a serious illness, it may be necessary to give him a blood transfusion. He can be given a blood transfusion successfully only by being given blood of his own type. If he is brought to an operating room, if he has fallen from an aeroplane or has been hit by a truck or a tank and is in a desperate condition, that is no time to type his blood; but if you have his disc there and it shows he is type No. 2, it will not take

long to have blood donors at the hospital who will give a transfusion and thus probably save his life.

With reference to typhoid and tetanus I believe the troops are being given inoculation and preventive injections which will fortify them against these diseases.

I make these suggestions to the department because I think these men are entitled to the very best service which can possibly be given them. If they were in civilian life they could of their own free will go and have these services, or if they were being brought up in ordinary family life they would likely be provided with them by their parents or at the schools which they attend.

With reference to the men in the medical services I think some of the reasons why they are not generally regarded as of the same standard as in civil medical work is the fact that there is not the allowance made for them to express their own individuality; the regulations are not flexible enough with regard to letting a man use his own judgment in a number of cases.

There is bound to be in this country a shortage of medical men. The government has recognized that by the policy it has adopted of assisting young men who are studying medicine to secure their education. The government is to be commended for its foresight and good judgment in adopting that policy. They recognize that there is likely to be a shortage. I suggest that that shortage in some instances could be overcome by utilizing the services of women both as X-ray technicians and as workers in laboratories. There are many women who have taken courses in these lines of medical service, and they could supplant a number of medical doctors who are urgently needed for other lines of work.

I respectfully bring these suggestions to the minister's attention, not that I expect an answer from him now, but that he may pass them on to his permanent medical staff for their consideration. What I am interested in is by no means an attack on persons, but rather upon system and policy. I think the policy with reference to the medical services in all our forces can be brought up to date and assurance given to the men in all the services and to their people that they will get the very best medical and surgical attention it is possible to give them.

Mr. RALSTON: I want to thank the hon. member for Renfrew South (Mr. McCann) for his very constructive comments in connection with the medical services of the department. As he anticipates, I do not feel capable of following him in the various technical matters that he has brought up. Dealing first with his suggestion with regard to the Wassermann test, as he knows the subcommittee of the war expenditures committee made a recommendation regarding that matter about the end of last year. All I can say is that there does seem to be some difference of opinion among technical men about the adoption of it as a routine matter. I myself have had a number of discussions about it, and the adjutant general is I know, taking it up again. A report at this time would have to indicate that the test had not been adopted as routine in connection with the medical services for certain reasons which were given before the special committee last spring when the officers of the medical services were before them, but it is again receiving active consideration from the officers of the department. I am not sure whether my hon. friend was a member of that committee.

With regard to diphtheria treatment I did not notice anything in the report. I do not think that matter was discussed before the committee to which I refer; at least no report was made on it, but I have noted what my hon. friend said.

With regard to the typing of blood, even to a layman it sounds like absolute common sense that a man's blood should be typed at a time when it is easy to do it, and the simple matter of having it registered on his identification disc seems to make a complete chain of procedure in any case of emergency.

The point about the distribution of medical men has of course been forcibly brought home to me in connection with the proposals put forward for the assistance of medical students. It was then one came to realize just what my hon. friend says, that at least there are not going to be too many medical men in Canada, and probably there is going to be a shortage. The matter of distribution has received and is receiving attention, or perhaps I should say the matter of redistribution, as far as the medical services themselves are concerned. We realize that we can increase the supply of medical men not only by getting more into the service but by perhaps readjusting the services and duties of those we have, and that is being done.

At the same time we have in mind some plans with regard to helping to solve the problem which my hon. friend mentions, namely the problem which faces a great many medical men as to where their duty really lies and where they can be of greatest service to the community. In view of the fact that the directorate of national selective service has been set up, I have taken the position—I think this is the first time I have stated it

publicly, but I think it is absolutely sound—that we in the army are, if I may put it crudely, simply the customers for a certain supply of technical personnel. That is not confined to medical men alone; it has to do with engineers, with some chemists and with some scientists. This directorate of national selective service, which has under it the bureau of wartime technical personnel, is able in the first place to state where the supply is, because it would have full records with regard to that matter—that is, the supply of medical men as well as the supply of other technical personnel—and at the same time it is able to receive requisitions from the army, navy, air force and any other branch of the service that needs technical men, and is able to make a distribution and to give advice which it is impossible for one particular service to give to these medical men. They know what the supply is; they know what the demand is, and those two can be put together. That bureau, it seems to me, is the place where the medical men should be assisted to solve their problem in connection with their duty to their community. I have already communicated that view to the president of one university, in regard to a conference which is to be held here very soon with respect to another technical profession. I have said that I did not think it was the place of the army to attempt to do that, but rather that we should present our requisitions to the director of national selective service and ask him to advise us in the light of the supply and demand.

One point, the one with which my hon. friend began, is new to me; that is, with regard to the calling up of a certain higher age group in military district No. 3, compared with the other districts. That, of course, comes under national war services. I cannot explain to my hon. friend why men of the group from twenty-one to thirty should be called up in military district No. 3, while the group from twenty-one to twenty-five are called up in the other districts. Probably the reason he gives is the correct one, namely that a shortage has developed in the lower age groups in the particular district. I can only say to him that I will bring the matter to the attention of my colleague the Minister of National War Services. As I explained to the committee last night, I ask for a certain number of men; I do not ask for them by ages, and he supplies the number of men by issuing a proclamation calling up whatever age group may be necessary.

Mr. McCANN: The anomaly of the situation is that the reason why they are calling up men of the group from twenty-one to thirty in military district No. 3 is that recruiting has been so successful that there is a shortage of younger men there. That rather reacts against them.

Mr. FRASER (Peterborough West): I know in my district we have had a large number of married men over twenty-five years of age called up.

Mr. RALSTON: The hon. member for Témiscouata mentioned several points. I am sure he will not expect me to go at length into a speech which rambled over a great deal of territory, but I want to refer to one or two salient points. I am not sure that I shall convince him with regard to the good disposition of the Department of National Defence toward French-Canadians. I can say, however, that I would hope to be able to convince the committee and the country.

First let me refer to the individual case to which he referred; that is, the case of the young man who was granted leave of absence for six months. The committee will remember that yesterday I indicated that the application was recommended by the national war service board. It was forwarded to the district officer commanding of military district No. 5, who recommended it; it was forwarded to headquarters, and headquarters approved it. That was all in order. But the regiment to which the young man belonged moved west, and the young man himself moved with the regiment. The district staff officer communicated by telephone with the district staff officer on the west coast, and he stated that the officer in command of the regiment advised him—that is, the western staff officer—that at the time notification to leave was received the result of a medical board was pending. Instead of transferring the man to No. 5 district depot, which is the district depot at Quebec, they took him with the regiment to Nanaimo, notwithstanding the board that was pending. My hon. friend may know the officer commanding the regiment. After arrival at Nanaimo, during the confusion of getting settled the matter of the medical board was overlooked. It came to notice a few days later, and at some later time the medical board was held. I do not know whether my hon. friend will be relieved or otherwise to learn that a telegram has been received from the general officer commanding in chief, Pacific command, advising that this young man is being discharged, category E, and that no action was necessary on the question of leave. That was the result of two long distance telephone conferences with the west coast.

My hon. friend referred to the matter of letters to soldiers. I can only say that I will take up that point. The hon. gentleman has sent me three envelopes. I can assure him—though I think he knows it without my assuring him—that there is no intention in the world to keep these men away from communication with their homes or to deprive them of their right to receive mail, the same as anyone else. There may have been carelessness; it may not have been realized that these young men were in these camps; apparently they were away by the time the letters arrived. I agree that there should be some proper system of forwarding mail; I am sure there is such a system in force, and I will see that these matters are looked into.

Then the hon. gentleman referred to my humble effort on the radio, and said something to the effect that I said I had the responsibility and then said that someone else, the people who actually had the responsibility, would give the facts. What I said was that I had the responsibility for the department, but that I would ask the people of this country to listen to the men who actually did the work. That is what I hope will be done in the course of the next few Sunday evenings.

I want to say a word to the committee with reference to what the department has done and is doing in regard to the matter of seeing to it that French-Canadian representation is properly maintained, and I make no apology at all for it. The hon. member for Trinity said something to the effect that race should not play any part in connection with military appointments. I agree with him; that is to say, that efficiency must not suffer. At the same time, however, I say, as I have said previously in this house, that I think it is a matter of national responsibility that we see to it that as far as possible, in connection with appointments in the army and in connection with commands, proper representation is maintained with respect to our French-Canadian fellow citizens. I want to say to my hon. friend that whether he believes it or not, if there has been any libelling or slandering done, as he complains, it has not been done by the Department of National Defence. I want to tell him that I think the most thorough measures have been inaugurated in order to see to it that every possible encouragement, assistance and support is given to French-Canadians who come into the army and give their services. I want to pay tribute to the men who have come in and to the officers who have helped in that respect. It just happens that two of the three staff officers who are sitting before me to-night are bilingual. That only just happens. At the same time there are at national defence headquarters at the present time nearly fifty French-Canadian officers.

Let me say to my hon. friend that in connection with the Department of National Defence we have taken measures which we thought were appropriate and useful in order to make sure that French-Canadian representation was properly maintained. My hon. friend referred to a speech which was made by the late Right Hon. Mr. Lapointe some time ago in that connection. I want to bring to the attention of the committee two or three of the measures which have been taken and which we think have been of assistance in this respect.

We have organized a bilingual junior leaders school at Megantic, Quebec. The total capacity of this school is set at 210. The quota which has been provided for French Canadians at that school is beyond anything that has been supplied. I am not saying anything against the fact that the full quota has not been supplied; I only want to say that the quota has been just as generous as it could be in order to ensure that plenty of opportunities were given for instruction. This school was organized for the purpose of teaching English-speaking and French-speaking candidates the principles of leadership and enabling them to overcome any language handicap they might have.

With regard to training centres we have seen to it that there are French-speaking instructional staffs at the training centres in eastern Ontario and in Quebec. I think the proportion of these instructors is fully up to the number of men in the training centres. In the officers' training centre the proportion of French-speaking instructors is even higher.

My hon. friend referred to mobilization and contended that there had not been proper representation. Let me say to him that in the army programme for the present year there is provision for the formation of the following French-speaking units:

One regiment medium artillery
One engineer battalion
Five field batteries
One search-light battery
Five infantry battalions
One R.C.A.S.C. unit
One field ambulance
One general hospital
One provost company
One Canadian forestry corps company.

In addition, there is a bilingual infantry battalion, the Sherbrooke Fusiliers, being incorporated into the fourth armoured division.

One French-speaking battalion will form part of the second army tank brigade. I have here a list of the French-speaking units in Canada and overseas, and a splendid representation it is.

With regard to French-Canadian officers, we have made special provision in order that young French-Canadians may have an opportunity of overcoming any handicap which may exist in connection with their entering the school at Brockville. There were not enough French-Canadian officers in the reserve units who were coming forward. It is well known that our French-Canadian friends were not interested in the militia units to the same extent as men in some of the other districts. This has been so for years. There is no complaint, and there is no reflection whatever because this is a matter of a man's own choice. The result was that French-Canadian officers were not too plentiful. With this in mind we have made special provision for French-Canadian officers by having civilian committees set up—this is all covered in a return which was brought down in the house—in different centres which select young men who are of the calibre that they consider would make good officers. They ask these young men if they would care to come in and take training. A special training school was set up in St. Jerome, Quebec, where these men received thirty days basic training. If they qualify and appear to justify promotion, they are given another month as cadets preparatory to their going to the Brockville school. We expect to have something like 100 men a month going from the St. Jerome school to Brockville. I had the pleasure of being in St. Jerome a week ago last Saturday, and I was extremely pleased with the way they are taking hold and the manner in which this system is working out. It was provided for the purpose of seeing that there was no discouragement of French-Canadian recruiting because of a lack of officers. It was established for the purpose of encouraging French-Canadian officers to feel that when they go to school at Brockville or somewhere else where the atmosphere is English, they will not be under a handicap.

But we do not leave it at that. At Brockville we have a full French-Canadian instructional staff; there is also an English staff, so that these young men are able to receive instruction in their own language and can talk over their problems with instructors who speak their own language. The director of trades training advises that there is an adequate bilingual instructional staff at the army trades school in Hamilton. With regard to French-Canadian representation on Royal Military College courses, except for the junior war staff course, for which the majority of candidates have been selected overseas, it is the practice to allot vacancies up to one-third of the total attendance of these courses to French-Canadian officers.

I may say with regard to the officers training centre at Brockville that the objective toward which we are working is to provide a quota of up to 125 French-speaking candidates in each month. With regard to staffs and command, the departmental selection committees are constantly—I can say this from personal knowledge—on the look-out for opportunities to recommend the appointment of French-Canadian officers, not only at national defence headquarters but at the appropriate district headquarters. As a matter of fact, I have a complete list of the French-Canadian officers who are appointed at headquarters.

In addition, I have in my hand a list of probably fifty training manuals, pamphlets, regulations and instructional books of different kinds of which French translations have been made by a special French translation bureau which we have at headquarters. I say this because I think it should be said in justice to the officers of the department. I do not think anything from the point of view of our national life is given more careful consideration than this matter of seeing to it that the difficulties which are bound to be found by French Canadians coming into what is predominantly an English army are overcome. I can quite understand that it would be the same for those of us who are English if we had to go into an army which was predominantly French. We would find some difficulty and sometimes would feel a bit lonesome. We would like more than anything else to have an opportunity to talk over our problems with someone of our own race. That is exactly the situation in which officers on national defence try to put themselves in an endeavour to help our fellow French Canadians in their desire to assist in the war.

I mention these matters in detail in order to indicate to the committee that the matter is one which has not escaped our attention by any means. My hon. friend made some remarks about publicity in the United States. He speaks of the poor publicity which is given. There again we endeavour to see to it that there is a proper representation of French Canadians in connection with publicity. At the present moment at national defence headquarters there are three French-speaking men

under the director of public relations. In military district No. 4 there is one in charge of publicity; in military district No. 5 there is one in charge of publicity, and in military district No. 4 there is also a bilingual photographer. In addition to that, overseas there is a French-Canadian officer at Canadian military headquarters. These are in addition to the several French Canadians occupying editorial positions in the department of public relations in Ottawa. Then in Montreal there is a French-Canadian gentleman who represents the department of public relations. I mention this to show that publicity is done in French as well as in English. We endeavour to see that proper representation is given. I do not want it to go out from this committee that there is discrimination of any kind. The simple fact is that there are no better friends of our French-Canadian compatriots, our fellow Canadians, than the officers at national defence headquarters, and it is constantly our endeavour to see to it that their effort in connection with this war is recognized, appreciated, encouraged and supported.

Mr. ROSS (St. Paul's): I asked the minister a question this afternoon with reference to an accident that occurred during a parade in Toronto, and the minister said that the only way in which anything could be done for the lady who was injured was by way of compassionate allowance. I will give the minister the lady's name. It is Mrs. Nellie Burke, 175 McPherson avenue, Toronto. I would ask the minister to look into the case and see if a compassionate allowance cannot be granted to this lady.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

END OF VOLUME II